

Health Insurance and Counseling and Advocacy Program (HICAP) *Presents*

A,B,C of **MEDICARE**



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HICAP Manager

What is a HICAP??



- Health Insurance Counseling and Advocacy Program
- We help people with Medicare and their family and caregivers understand their health insurance benefits, options, and rights.
- We offer **free, unbiased**, one-on-one assistance from health insurance counselors registered by the California Department of Aging.

Who Uses HICAP?

- People who have Medicare
- People soon to become eligible for Medicare
- Family members, caregivers, and advocates of people with Medicare



What Is Medicare?



- Health insurance for three groups of people
 - 65 and older
 - Under 65 with certain disabilities
 - Any age with End-Stage Renal Disease
- Administered by
 - Centers for Medicare & Medicaid Services

The Four Parts of Medicare



**Part A
Hospital
Insurance**



**Part B
Medical
Insurance**



**Part C
Medicare
Advantage
Plans (like
HMOs and PPOs)**
This includes
Part A, Part B , &
sometimes
Part D



**Part D
Medicare
Prescription
Drug
Coverage**

Automatic Enrollment—Parts A and B

- Automatic for those receiving
 - Social Security benefits
 - Railroad Retirement Board benefits
- Initial Enrollment Period package
 - Mailed 3 months before
 - Age 65
 - 25th month of disability benefits
- Others must enroll themselves



Part A and Part B Benefits and Costs

- Medicare Part A (Hospital Insurance)
 - What's covered
 - Part A costs
- Medicare Part B (Medical Insurance)
 - What's covered
 - Part B costs

Medicare Part A—Covered Services

Inpatient Hospital Stays

Semi-private room, meals, general nursing, and other hospital services and supplies. Includes care in critical access hospitals and inpatient rehabilitation facilities. Inpatient mental health care in psychiatric hospital (lifetime 190-day limit). Generally covers all drugs provided during an inpatient stay received as part of your treatment.

Skilled Nursing Facility Care

Semi-private room, meals, skilled nursing and rehabilitation services, and other services and supplies.

Home Health Services

Part-time or intermittent skilled nursing care, and/or physical therapy, speech-language pathology services, and/or services for people with a continuing need for occupational therapy, some home health aide services, medical social services, and medical supplies for use at home.

Hospice Care

For terminally ill and includes drugs for pain relief and symptom management, medical care, and support services from a Medicare-approved hospice.

Blood

In most cases, if you need blood as an inpatient, you won't have to pay for it or replace it.

Paying for Medicare Part A

- Most people receive Part A premium free
 - If you paid Federal Insurance Contributions Act (FICA) taxes at least 10 years
- If you paid FICA less than 10 years
 - Can pay a premium to get Part A
 - May have a penalty
 - If not bought when first eligible

Benefit Periods



- Measures use of inpatient hospital and skilled nursing facility (SNF) services
- Begins the day you first receive inpatient care
 - In hospital or SNF
- Ends when not in hospital/SNF 60 days in a row
- Pay Part A deductible for each benefit period
 - \$1,340 in 2018
- No limit to number of benefit periods you can have

Paying for Inpatient Hospital Stays

For Each Benefit Period in 2018	You Pay
Days 1-60	\$1,340 deductible
Days 61-90	\$335 per day
Days 91-150	\$670 per day (60 lifetime reserve days)
All days after 150	All Costs

Paying for Skilled Nursing Facility Care

For Each Benefit Period in 2018	You Pay
Days 1-20	\$0
Days 21-100	\$167.50 per day
All days after 100	All Costs

Paying for Home Health Care

- Fully covered by Medicare
- Plan of care reviewed every 60 days
 - Called episode of care
- In Original Medicare you pay
 - Nothing for covered home health care services
 - 20 percent of Medicare-approved amount
 - For durable medical equipment
 - Covered by Part B

Paying for Hospice Care

- In Original Medicare you pay
 - Nothing for hospice care
 - Up to \$5 per Rx to manage pain and symptoms
 - While at home
 - 5 percent for inpatient respite care
- Room and board may be covered
 - Short-term respite care or for pain/symptom management
 - If you have Medicaid and live in a nursing facility

Blood (Inpatient)

- If hospital gets blood free from a blood bank
 - You won't have to pay for it or replace it
- If hospital has to buy blood for you
 - You pay for first three units per a calendar year, or
 - You or someone else donates to replace blood

What Are Medicare Part B–Covered Services?

Doctors’ Services

Services that are medically-necessary (includes outpatient and some doctor services you get when you’re a hospital inpatient) or covered preventive services.

You pay 20 percent of the Medicare-approved amount (if the doctor accepts assignment) and the Part B deductible applies.

Outpatient Medical and Surgical Services and Supplies

For approved procedures, like X-rays, casts, or stitches.

You pay the doctor 20 percent of the Medicare-approved amount for the doctor’s services if the doctor accepts assignment. You also pay the hospital a copayment for each service. The Part B deductible applies.

What Are Medicare Part B–Covered Services (continued)

Durable Medical Equipment

Items such as oxygen equipment and supplies, wheelchairs, walkers, and hospital beds for use in the home. Some items must be rented.

Medicare is phasing in a program called “**competitive bidding**,” which means that in some areas, if you need certain items, you must use specific suppliers, or Medicare won’t pay for the item and you’ll likely pay full price.

Visit [medicare.gov/supplier](https://www.medicare.gov/supplier) to find Medicare-approved suppliers in your area.

You pay 20 percent of the Medicare-approved amount, and the Part B deductible applies.

More Medicare Part B–Covered Services

Home Health Services

Medically-necessary part-time or intermittent skilled nursing care, and/or physical therapy, speech-language pathology services, and/or services for people with a continuing need for occupational therapy, some home health aide services, medical social services, and medical supplies. You pay nothing for covered services.

Other Services (including but not limited to)

Medically-necessary medical services and supplies, such as clinical laboratory services, diabetes supplies, kidney dialysis services and supplies, mental health care, limited outpatient prescription drugs, diagnostic X-rays, MRIs, CT scans, and EKGs, transplants and other services. Costs vary.

Part B–Covered Preventive Services

- “Welcome to Medicare” preventive visit
- Annual “Wellness” visit
- Abdominal aortic aneurysm screening
- Alcohol misuse screening and counseling
- Behavioral therapy for cardiovascular disease
- Bone mass measurement
- Cardiovascular disease screenings
- Colorectal cancer screenings
- Depression screening
- Diabetes screenings
- Diabetes self-management training
- Flu shots
- Glaucoma tests
- Hepatitis B shots
- HIV screening
- Mammograms (screening)
- Obesity screening and counseling
- Pap test, pelvic exam, and clinical breast exam
- Pneumococcal pneumonia shot
- Prostate cancer screening
- Sexually transmitted infection (STIs) screening and high-intensity behavioral counseling to prevent STIs
- Smoking cessation

NOT Covered by Part A and Part B

- Long-term care
- Routine dental care
- Dentures
- Cosmetic surgery
- Acupuncture
- Hearing aids and exams for fitting hearing aids
- Other—check on [medicare.gov](https://www.medicare.gov)

Paying for Part B Services

- In Original Medicare you pay
 - Yearly deductible of \$183 in 2018
 - 20 percent coinsurance for most services
- Some programs may help pay these costs

Monthly Part B Premium

If Your Yearly Income in 2016 was		In 2018 You Pay*
File Individual Tax Return	File Joint Tax Return	
\$85,000 or less	\$170,000 or less	\$134
\$85,000.01-\$107,000	\$170,000.01-\$214,000	\$187.50
\$107,000.01-\$160,000	\$214,000.01-\$320,000	\$267.90
\$160,000.01-\$214,000	\$320,000.01-\$428,000	\$348.30
Above \$214,000	Above \$428,000	\$428.60
*per month		

Note: Premiums are usually deducted from your Social Security benefit payment

Paying the Part B Premium



- Deducted monthly from
 - Social Security (SSA) benefit payments
 - Railroad retirement benefit payments
 - Federal retirement benefit payments
- If not deducted
 - Billed every 3 months
 - Medicare Easy Pay to deduct from bank account
- Contact SSA, the Railroad Retirement Board, or Office of Personnel Management about premiums

What Is Original Medicare?

- Health care option run by the federal government
- Provides your Part A and/or Part B coverage
- See any doctor or hospital that accepts Medicare
- You pay
 - Part B premium (Part A is usually premium free)
 - Deductibles, coinsurance, or copayments
- Get Medicare Summary Notice
- Can join a Part D plan to add drug coverage

Medigap (Medicare Supplement Insurance) Policies

- Private health insurance for individuals
- Sold by private insurance companies
- Supplement Original Medicare coverage
- Follow federal/state laws that protect you
- Medigap Open Enrollment Period
 - Starts when you're both 65 and signed up for Part B
 - Once started, it can't be delayed or repeated

Medigap Policies

- You pay a monthly premium
- Costs vary by plan, company, and location
- Medigap insurance companies can only sell a standardized Medigap policy
 - Identified in most states by letters
- Doesn't work with Medicare Advantage
- No networks except with a Medicare SELECT policy

Medigap Plan Types

	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%
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%
* Plan F also offers a high-deductible plan in some states. If you choose this option, this means you must pay for Medicare-covered costs (coinsurance, copayments, deductibles) up to the deductible amount of \$2,240 in 2018 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 (\$183 in 2018), the Medigap plan pays 100% of covered services for the rest of the calendar year. *** 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.							Out-of-pocket limit in 2018			
							\$5,240	\$2,620		

Medicare Advantage (MA) Plans (Part C)



- What is Part C?
- How the plans work
- MA Plan costs
- Who can join?
- When to join and switch plans
- Other Medicare health plans

Medicare Advantage Plans



- Health plan options approved by Medicare
 - Another way to get Medicare coverage
 - Still part of the Medicare program
 - Run by private companies
- Also called Part C
- Medicare pays amount for each member's care
- May have to use network doctors or hospitals
- Types of plans available may vary

How Medicare Advantage Plans Work



- Still in Medicare with all rights and protections
- Still get Part A and Part B services
- May include prescription drug coverage (Part D)
- May include extra benefits
 - Like vision or dental
- Benefits and cost-sharing may be different

Types of Medicare Advantage (MA) Plans



- Health Maintenance Organization (HMO)
- HMO Point-of-Service
- Preferred Provider Organization
- Special Needs Plan

Medicare Advantage Plan Costs

- Must still pay Part B premium
 - Some plans may pay all or part for you
 - Some people may be eligible for state assistance
- You may also pay monthly premium to plan
- You pay deductibles/coinsurance/copayments
 - Different from Original Medicare
 - Varies from plan to plan
 - Costs may be higher if out of network

Medicare Prescription Drug Coverage



- What is Part D?
- Part D benefits and costs
- Who can join?
- When to join and switch plans
- Part D–covered drugs
 - Drugs not covered
- Access to covered drugs

Medicare Prescription Drug Coverage (continued)

- Also called Medicare Part D
- Prescription drug plans approved by Medicare
- Run by private companies
- Available to everyone with Medicare
- Must be enrolled in a plan to get coverage
- Two sources of coverage
 - Medicare Prescription Drug Plans
 - Medicare Advantage Plans with Rx coverage
 - And other Medicare health plans with Rx coverage

Medicare Drug Plan Costs



- Costs vary by plan
- In 2018, most people pay
 - A monthly premium
 - A yearly deductible
 - Copayments or coinsurance
 - 35 percent for covered brand-name drugs in coverage gap
 - 44 percent for covered generic drugs in coverage gap
 - Very little after spending \$5,000 out of pocket

Standard Structure in 2018

Example: Ms. Smith joins the ABC Prescription Drug Plan. Her coverage was on January 1, 2018. She doesn't get Extra Help and uses her Medicare drug plan membership card when she buys prescriptions.

Monthly Premium—Ms. Smith pays a monthly premium throughout the year.

1. Yearly deductible	2. Copayment or coinsurance (what you pay at the pharmacy)	3. Coverage gap	4. Catastrophic coverage
<p>Ms. Smith pays the first \$405 of her drug costs before her plan starts to pay its share.</p>	<p>Ms. Smith pays a copayment, and her plan pays its share for each covered drug until their combined amount (plus the deductible) reaches \$3,345.</p>	<p>Once Ms. Smith and her plan have spent \$3,345 for covered drugs, she's in the coverage gap. In 2018, she pays 35 percent of the plan's cost for her covered brand-name prescription drugs and 44 percent of the plan's cost for covered generic drugs. What she pays (and the discount paid by the drug company) counts as out-of-pocket spending, and helps her get out of the coverage gap.</p>	<p>Once Ms. Smith has spent \$5,000 out of pocket for the year, her coverage gap ends. Now she only pays a small coinsurance or copayment for each covered drug until the end of the year.</p>

Part D Eligibility Requirements

- To be eligible to join a Prescription Drug Plan
 - You must have Medicare Part A and/or Part B
- To be eligible to join a Medicare Advantage Plan with drug coverage
 - You must have Part A and Part B
- You must live in plan's service area
 - You can't be incarcerated
 - You can't live outside the United States
- You must be enrolled in a plan to get drug coverage

Part D–Covered Drugs

- Prescription brand-name and generic drugs
 - Approved by the Food and Drug Administration
 - Used and sold in United States
 - Used for medically-accepted indications
- Includes drugs, biological products, and insulin
 - Supplies associated with injection of insulin
- Plans must cover range of drugs in each category
- Coverage and rules vary by plan

Understanding Medicare Resource Guide

Resources

Centers for Medicare & Medicaid Services (CMS)

1-800-MEDICARE
(1-800-633-4227)
1-877-486-2048 for TTY users
medicare.gov

cms.gov

Social Security

1-800-772-1213
1-800-325-0778 for TTY users
socialsecurity.gov/

Railroad Retirement Board

1-877-772-5772
1-312-751-4700 for TTY users
rrb.gov/

State Health Insurance Assistance Programs (SHIPs)

For telephone numbers call CMS
1-800-MEDICARE (1-800-633-4227)
1-877-486-2048 for TTY users

medicare.gov/caregivers/

healthcare.gov

benefits.gov

insurekidsnow.gov

Affordable Care Act

healthcare.gov/law/full/index.html

Medicare Products

“Medicare & You Handbook”

CMS Product No. 10050

“Your Medicare Benefits”

CMS Product No. 10116

“Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare”

CMS Product No. 02110

To access these products

View and order single copies at medicare.gov

Order multiple copies (partners only) at productordering.cms.hhs.gov. You must register your organization.