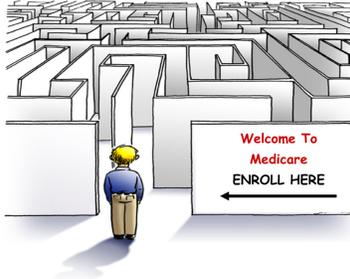


# MEDICARE BASICS

*Welcome to Medicare*



Presented by the  
**Aging & Disability Resource Center  
of Central Wisconsin**

*Last updated: 12/9/2019*

## What are the parts of Medicare?



Medicare A



Medicare B



Medigap Policy



Medicare D



Medicare C

## Who is eligible for Medicare?



Medicare is health insurance for:

- people 65 or older
- people under 65 with certain disabilities
- people of any age with End-Stage Renal Disease (ESRD)

## Enrolling in Medicare

### Initial Enrollment Period:

- **If you are already receiving Social Security at the time you are eligible for Medicare, then you DO NOT need to apply.** You will be automatically enrolled into Medicare A & B and receive your Medicare card in the mail showing your effective dates.
- **If you are not receiving Social Security at the time of eligibility, then you NEED TO TAKE ACTION.** You can apply through Social Security Administration or online at: [www.ssa.gov](http://www.ssa.gov)
- **If you do not enroll when you are first eligible,** you may have a penalty unless you have other health coverage available and you or your spouse are actively working. Check your plan for details.



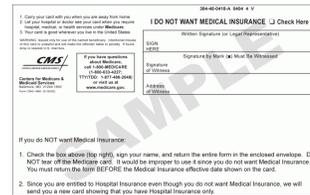
**General Enrollment Period:**

- If you didn't sign up for Part A and/or Part B, you can sign up between January 1-March 31 each year. Your coverage won't start until July 1 of that year, and you may have to pay a higher Part A and/or Part B premium for late enrollment.

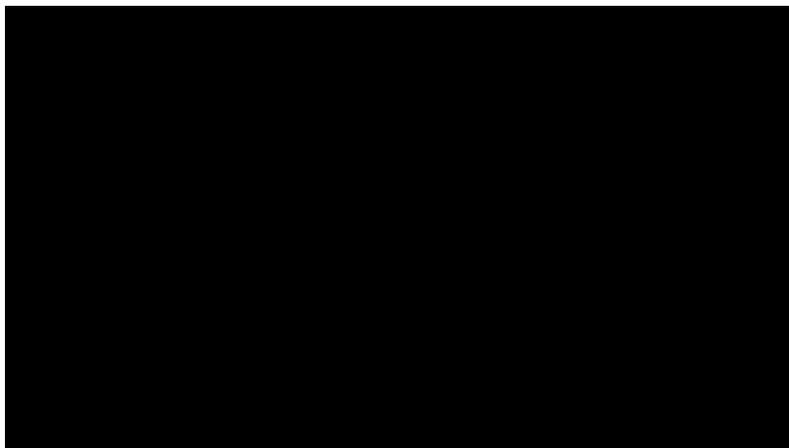


**Special Enrollment Period**

- If you (or your spouse) are still working, you may have a chance to sign up for Medicare during a Special Enrollment Period.
  - Anytime you're still covered by the group health plan.
  - During the 8-month period that begins the month after the employment ends or the coverage ends (whichever happens first).



[Understanding Your Medicare Choices](#)



<https://www.youtube.com/watch?v=WZVQSFBq2uw>

# Medicare Options

## Original Medicare

Part A 

+

Part B 

You can add creditable Drug Coverage:

Part D 

Senior Care

Veteran's Rx Coverage

You can also add:

Medicare Supplement (Medigap) 

This will help fill in the "gaps" that Original Medicare does not cover.

## Medicare Advantage

Part A 

+

Part B 

+

You can often wrap in:

Part D 

Or maintain other creditable Drug Coverage:

Senior Care

Veteran's Rx Coverage

+

May include some extras:  
Not all Advantage plans offer these additional benefits; check directly with the plan to find out more details.

Vision

Dental

Hearing

Over the Counter Rx

Silver Sneakers



## Medicare Part A

### Hospital / Inpatient

**Covers:** Inpatient hospital, skilled nursing facility, inpatient psychiatric care (190 day per lifetime benefit), hospice and some home health care.

**Premium:** Part A is premium free, as long as you or your spouse have 40 or more work credits.

**Deductible:** The Part A deductible is \$1408 (2020) per 60 day benefit period (you pay a deductible and no coinsurance for days 1–60 of each benefit period, after day 60, you may have a co-pay).

#### Important Notes:

- *Inpatient hospitalization (Part A) gets billed differently than hospital observation (Part B / D)*
- *If you are still contributing to an Health Savings Account (HSA) through an employer, please contact your HR department for additional information*



## Medicare Part B

### Medical / Outpatient

**Covers:** Doctor visits, outpatient services, durable medical equipment and other services Part A does not cover (such as hospital observation status).

- Part B covers approximately 80% of the Medicare approved amount for most covered services.
- Part B covers some Preventative Services with no deductible or coinsurance.

**Premiums:** People new to Medicare Part B have a base monthly premium of \$144.60 (2020).

- Higher Income: If your household income is above \$85,000 as a single person or \$170,000 as a joint income, you may pay more for your Part B Premium.
- Limited Income: There are Medicare Assistance Programs to help pay for premiums: QMB, SLMB, SLMB+.

**Deductible:** Annual deductible of \$198 (2020).



## Medicare Part D

### Prescription Drug Coverage

**Covers:** After a deductible is met, the plan is designed to cover approximately 75% of the full cost of the prescription.

**Premiums:** Vary by plan & may change annually

- The National Average for a Part D plan in 2020 is \$32.74 month.
- In Wisconsin, the cost ranges from \$13.10 up to \$124 month.
- Like Part B, if your income is higher you may pay more for your premium.
- If your income is lower you may qualify for assistance.

**Deductibles:** In 2020, Part D plans can have up to a \$435 annual deductible.

## Part D

### Who is eligible and When to Enroll

Everyone on Medicare A and/or B is eligible for a Part D Plan

Enrollments:

- **Initial Enrollment Period:** 3 months prior, month of, and 3 months after starting Medicare.
- **Annual Enrollment Period:** October 15 thru December 7<sup>th</sup> each year (*effective 1/1 of following year*).
- **Special enrollments:** If you think you may qualify ask to see if you are eligible for a special enrollment period to add or to switch Part D plans.

➡ Penalties may apply (see next slide)

- You may be assessed a penalty of 1% of the national average per month if you are not enrolled into a Part D plan.
- The penalty will be added to your monthly premium if/when you choose to enroll into a part D plan and will continue as long as you are on part D.
- You will NOT incur a Penalty with Part D if you have "creditable" Rx coverage elsewhere.

## How to calculate the Part D Penalty

**2020 National Base Beneficiary Premium = \$32.74**

➡ Joe did not take Medicare Part D in 2016 when he became eligible because he was healthy and did not take any medications at the time. In 2020, he realizes that he needs a Part D plan to cover some new medications. At the time he signs up for Medicare Part D, a penalty will be applied:

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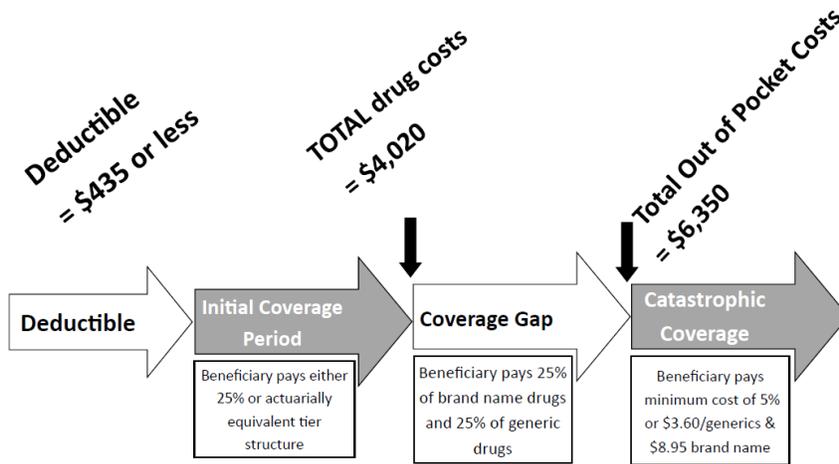
*1% of the national base beneficiary premium ( $\$32.74 \times .01 = .3274$   
 $\times$  number of months not having creditable coverage (**48 months**)  
 $=$  penalty amount of his penalty (**\$15.71**).*

---

A penalty of \$15.71 will be applied in addition to his plan's monthly premium.

➡ If the regular premium is \$20.00 (+15.71), then his monthly premium for his part D plan in 2020 will be = \$35.71/month. Please note that the premium penalty is for life or as long as he is on Part D.

# 2020 Medicare Part D Costs



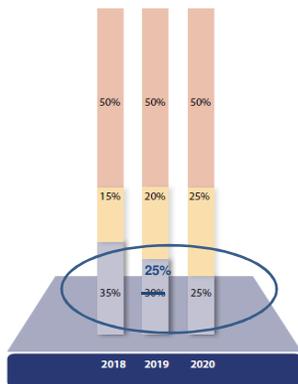
From January 1, 2020 (or at start date for those who begin Med D after January 1, 2020)

## Closing the Coverage Gap

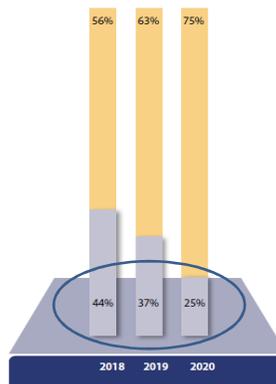


CMS Product No. 11493  
Revised December 2017

Brand-Name Prescription Drug Savings in the Coverage Gap



Generic Drug Savings in the Coverage Gap



- Manufacturer discount
- Your plan pays
- You pay

- Your plan pays
- You pay

## SENIORCARE®

Prescription Drugs for Wisconsin Seniors X

### What Is SeniorCare?

SeniorCare is a prescription drug assistance program designed to help seniors with their prescription drug costs. SeniorCare is considered creditable coverage for Medicare.

### Who Can Enroll?

- Wisconsin resident
- US Citizen or qualifying immigrant
- Age 65 or older

### Enrollment fee:

- \$30 year
- Must renew annually based on your renewal date

### Deductible:

- There are 4 deductible levels based on household income
- Please refer to the SeniorCare Information sheet to see the deductible levels

## Other Creditable and Non Creditable Options

### Other Creditable Rx Coverage:

- Employer/Retiree Groups Prescription coverage (*check with your employer to make sure it is "creditable coverage"*).
- Military/Veteran's Prescription coverage
- SeniorCare

### Non Creditable Prescription Programs:

- Discount Programs/Cards
- Pharmaceutical Patient Assistance Programs





## Traditional Medicare Supplement *Medigap Policy*

**Covers:** Original Medicare pays for much, but not all, of the cost for covered health care services and supplies. Medicare Supplement Insurance policies, sold by private companies, can help pay some of the remaining health care costs for covered services and supplies, like copayments, coinsurance, and deductibles. Medicare Supplement Issuance policies are also called Medigap policies.

Please Refer to the ***Wisconsin's Guide to Health Insurance for People with Medicare*** (published by, Office of the Commissioner of Insurance)

- Traditional Basic Benefits
- Wisconsin Mandated Benefits
- Optional Benefits

**Premiums:** Costs vary depending upon the insurance company, optional benefits chosen, age of applicant, where applicant lives.

### Traditional Medicare Supplemental Policies

- Attained Age
- Issue Age

Guaranteed Renewable for life as long as you pay the premium.



More information at:  
[oci.wi.gov](http://oci.wi.gov) or call the  
Medigap Hotline at  
1-800-242-1060

**Open Enrollment Period:** The first six months when Part B first becomes effective.

**Second Open Enrollment:** Persons who receive SSDI receive a second enrollment period when they turn 65.

**Guaranteed Issue:** 63 days when you “involuntarily” lose prior coverage. This Includes:

- Employer/Retiree Groups
- Medical Assistance (Medicaid or MA)
- Medicare Advantage Plan

*If you are unsure or have special circumstances, call the Medigap Helpline or your Benefit Specialist for assistance.*



## Medicare Options

### Original Medicare

<input checked="" type="checkbox"/> Part A	
+	
<input checked="" type="checkbox"/> Part B	

You can add creditable Drug Coverage:

<input type="checkbox"/> Part D	
<input type="checkbox"/> Senior Care	
<input type="checkbox"/> Veteran's Rx Coverage	

You can also add:

<input type="checkbox"/> Medicare Supplement (Medigap)	
This will help fill in the "gaps" that Original Medicare does not cover.	

### Medicare Advantage

<input checked="" type="checkbox"/> Part A	
+	
<input checked="" type="checkbox"/> Part B	
+	
You can often wrap in:	
<input checked="" type="checkbox"/> Part D	
Or maintain other creditable Drug Coverage:	
<input type="checkbox"/> Senior Care	
<input type="checkbox"/> Veteran's Rx Coverage	
+	
<u>May</u> include some extras:	
<small>Not all Advantage plans offer these additional benefits; check directly with the plan to find out more details.</small>	
<input type="checkbox"/> Vision	
<input type="checkbox"/> Dental	
<input type="checkbox"/> Hearing	
<input type="checkbox"/> Over the Counter Rx	
<input type="checkbox"/> Silver Sneakers	

## Medicare Advantage Plans

### *Medicare Part C / Medicare Health Plans*



**Covers:** A Medicare Advantage Plan (like an HMO or PPO) is another way to get your Medicare Coverage. Medicare Advantage plans, sometimes called “Part C” or “Medicare Health Plans,” are offered by Medicare-approved private companies that must follow rules set by Medicare.

All Medicare Part C/Medicare Advantage Plans must provide at least the same benefits as original Medicare; however they are not required to provide the same benefits that are provided under Original Medicare plus a Medigap policy.

If you join a Medicare Advantage Plan, you’ll still have Medicare but you’ll get your Medicare A + B coverage from the Medicare Advantage Plan, not original Medicare.

## Medicare Advantage Plans

### Eligibility & Costs

**Eligibility:**

- You must have Parts A & B to enroll into Part C.
- No health questions allowed except End Stage Renal Disease (ESRD).

**Premiums:**

- Medicare Part C/Advantage Plans premiums vary by plan
- In 2020 plans in our area range from \$0-222 monthly.
- You continue to pay your Part B premium in addition to the monthly premium.

**Copays:**

- Each plan will have set copays for services
- The copays will vary from plan to plan and can also change each year

**Out-of-Pocket Maximum:**

- Plans have yearly out-of-pocket maximum after which you pay nothing for the rest of the year.
- This limit may be different between Medicare Part C/Advantage Plans and can change each year. You should consider this when choosing a plan.

## Enrollments into a Medicare Advantage Plan/Part C Who Is Eligible & When to Enroll

### Initial Enrollment:

- 3 months prior to, month of, 3 months after starting Medicare.

### Annual Open Enrollment Period:

- October 15<sup>th</sup> – December 7<sup>th</sup>

### NEW: Medicare Advantage Plans have another Open Enrollment Period

- January 1<sup>st</sup> – March 31<sup>st</sup>—*only for people already enrolled in a MA plan. Ask for more details.*

### Remember review your plan every year!

#### Why?

- Medicare Advantage Plans and Medicare Part D plans can change their plan details each year.
- Plan formularies, pharmacy networks, premiums, and other costs can change each year.

## Medicare Medical Savings Account

- Medical Savings Account (MSA) Plans combine a high-deductible health plan with a bank account.
- Medicare deposits money into the account that you can use to pay for your qualified health care services during the year.
- Medicare MSA plans do not offer Medicare drug coverage. If you want drug coverage, you will need other creditable drug coverage.
- If interested in a MSA, please speak to a licensed agent or seek more information at: [www.medicare.gov](http://www.medicare.gov).

EXAMPLE ONLY



## Other Health Coverage

### **Veteran's Benefits** (generally VA facilities only)

- Prescription coverage is creditable coverage.
- DOES NOT coordinate with Parts A & B.
- You need to meet Priority level for coverage.

### **Military Benefits**

- TRICARE for LIFE/ChampVA
  - Prescription coverage is creditable coverage.
  - Coordinates with Parts A & B.

**Please Note:** Veteran's Benefits are determined either by service connected disability or income. Please talk with your County Veteran's Service Officer (CVSO) for eligibility.

## Employee/Group Health Plans

Includes coverage through an employer.

- Active Employee Health Coverage, Retiree Coverage, COBRA Continuation Coverage, Federal Employer Health Benefits
- **May require Part B unless actively working**

Each plan has its own costs.

- **Check your plan details** to understand your premiums/co-payments/deductibles/Rx Coverage

Employer contracts may change at any time

- **Check your plan details** annually or ask your HR department for specific coverage questions

May include "creditable drug coverage"

- **Check your plan details** before enrolling into Part D

If you are contributing to an Health Savings Account (HSA) through an employer

- **Please contact your HR department for additional information**

## Who pays first?

### Medicare pays first:

- If you have **retiree** insurance
- If you're 65 or older, have group health plan coverage based on your or your spouse's **current** employment, and the employer has **less than 20 employees**.
- If you're under 65 and disabled, have group health plan coverage based on your or a family member's current employment, and the employer has **less than 100 employees**.

### Your group health plan pays first:

- If you're 65 or older, have group health plan coverage based on your or your spouse's **current** employment, and the employer has **more than 20 employees**.
- If you're under 65 and disabled, have group health plan coverage based on you, a spouse's, or a family member's current employment, and the employer has 100 or more employees.

### If you have Medicare because of End-Stage Renal Disease (ESRD):

- See a benefit specialist with the Aging & Disability Resource Center for more information

## Assistance Programs

*Program Qualifiers are adjusted to the Federal Poverty Limits each year*

### **EBD Medicaid:** (Elderly, Blind, Disabled)

- Coordinates with Medicare
- Need to have a Part D plan if you have both Medicare & Medicaid

### **Medical Assistance Purchase Program (MAPP)**

- Qualifiers: Disability determination + working
- Higher income/asset eligibility limits than other forms of Medicaid

### **Medicare Savings Programs**

Helps pay for your Part B premiums



### **Low Income Subsidy (LIS or "EXTRA HELP")**

- You are automatically eligible if you are on any Medicaid program or apply directly through Social Security

## Making your Coverage Decisions

### Phone Numbers:

- MEDICARE: 1-800-633-4227 (1-800-Medicare)
- Social Security Administration: 1-855-269-9186
- Medigap Helpline: 1-800-242-1060
- Wisconsin Medigap Prescription Drug Helpline for individuals age 60 or older: 1-855-677-2783
- Disability Helpline for individuals between the ages of 18-59: 1-800-926-4862
- ADRC-CW Benefit Specialists: 1-888-486-9545

### Web Sites:

- [www.medicare.gov](http://www.medicare.gov)
- [www.ssa.gov](http://www.ssa.gov)
- [www.oci.wi.gov](http://www.oci.wi.gov)
- [www.adrc-cw.org](http://www.adrc-cw.org)

## Questions?

