Basic Medicare 101

Presented by:
Karla Gardner
SHIP Registered Medicare Counselor
California Health Advocates, Board Member

The Mission of SF HICAP

- To provide unbiased information about Medicare, related health care coverage, and long term care insurance to help seniors and adults with disabilities make informed decisions about their health care coverage.

HICAP Services

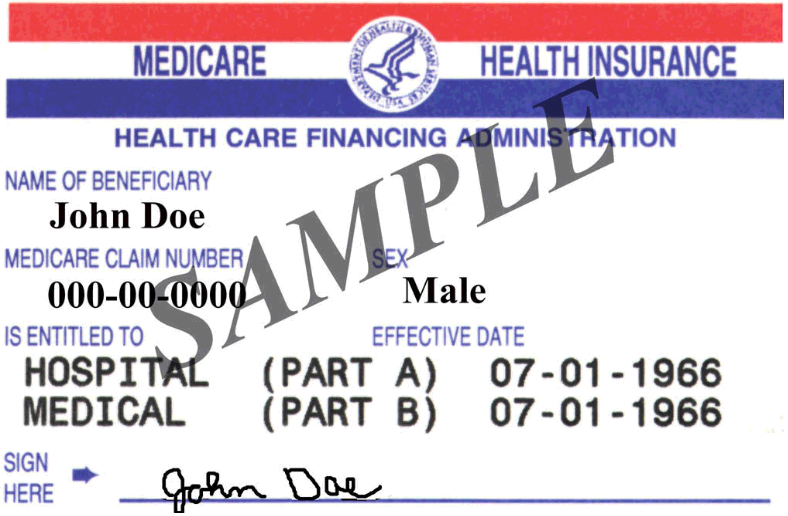
- Free counseling service at 12 sites in San Francisco county
- Community education presentations about Medicare and related health care insurance, such as
  - Ways to supplement Medicare
  - What Medicare covers
  - Long term care insurance

Overview

- What is Medicare?
- Who is eligible for Medicare?
- What are the different parts of Medicare: A, B, C and D?
- Who can enroll?
- When can a beneficiaries enroll?
- Ways to supplement Medicare?

What is Medicare?

- Federal Health Care Insurance pProgram
- For people 65 years and above and people with disabilities
- No income requirements to be eligible



You are eligible for Medicare if…

- You are 65 years or older; or
- You are younger than 65 years old and
  - have a disability and have received collecting Social Security Disability Insurance (SSDI) for at least 24 months; or
  - A diagnoses of End Stage Renal Disease (ESRD); or
  - A diagnosis of ALS, also known as Lou Gehrig’s disease

In addition…

- You are a U.S. citizen; or
- You are a permanent resident and have lived in the U.S. for 5 consecutive years.
- There are additional avenues to qualify

Parts of Medicare

- Part A – Hospital Insurance
- Part B – Outpatient Medical Insurance
- Part C – Medicare Advantage plans
- Part D – Prescription Drug plans

Thumbnail sketch of Medicare

Original Medicare

Part A
Hospital Insurance

Part B
Outpatient Medical Services

Medigap policies
Must have Parts A+B

Part C
Medicare Advantage Plans
Must have Parts A+B

Medicare Advantage plans + Part D
Medicare Advantage + only

HMO
PPO
MSA
SNP

Part D
Rx drug Plans
Must have Part A or Part B

Premium Deductible $
Cost-sharing $

Initial coverage
Coverage gap
Catastrophic coverage

Medicare Part A Covers

- Inpatient Hospital Care
- Psychiatric Hospital Care
- Skilled Nursing Facility
- Home Health Care
  - Rehibilitated Skilled Care prescribed by Physician
- Hospice
- - Pain management end of life care
- Blood

Medicare Part A Costs

- Monthly **PREMIUM**:
  - If you are 65 years or older
    - $0 if you or your spouse worked 40 or more quarters. *Automatic enrollment*
    - $$$ if you worked 30-39 quarters. *Voluntary enrollment*
    - $$$ if you worked fewer than 30 quarters. *Voluntary enrollment*.
  - If you are 65 years or younger with a disability
    - $0 if you have been receiving SSDI for 24 months.
- **DEDUCTIBLE**
- **COPAYMENT** / **COINSURANCE**

What Medicare does not cover

- Routine Dental Care
- Eyeglasses
- Hearing Aid
- Routine Foot Care (some Pediatric care)
- Acupuncture
- Cosmetic Surgery
- Long-Term Care

Enrollment for Part B

- Medicare Part B is voluntary, but Social Security Administration automatically enrolls you if you are entitled to Part A. If you do not want Part B, you must notify SSA.
- Three periods to enroll in Part B if you are not automatically enroll :

1. Initial Enrollment Period (IEP)
2. General Enrollment Period (GEP)
3. Special Enrollment Period (SEP)

Initial Enrollment Period for Part B

- Initial Enrollment Period (IEP) – 7-month period
  - Begins 3 months before month of eligibility and ends 3 months after month of eligibility.
- Month of eligibility = month of 65th birthday or 25th month of receiving SSDI. Benefits effective the first day of the month of eligibility.
- *Example:* 65th birthday on October 13. Month of eligibility is October. IEP begins July 1 and ends January 31. Benefits can be effective October 1.

General Enrollment Period for Part B

- General Enrollment Period (GEP)
  - January 1 through March 31 each year
  - Coverage effective the following July 1
  - Late enrollment penalty added to premium
    - 10% of current Part B premium for each full 12-month period when person is eligible but not enrolled.
    - Penalty imposed for as long as beneficiary has Part B.

- *Exception*: People, including spouses, who are <u>currently working</u> and covered by employer plan.

Special Enrollment Period for Part B

- People who are <u>currently working</u> and covered by employer plan may delay enrollment in Part B. Includes spouses who are also covered by employer plan.
- Special Enrollment Period (SEP)
  - 8-month period beginning the 1st day of 1st month after employment or group health plan coverage ends, whichever comes first.
- No late enrollment penalty in this situation if you enroll during SEP.

Ways to Supplement Medicare

Employment based	Employer Group Health Plans (active employment)
	COBRA
	Retiree Plans
State or Federal based	TRICARE for Life (Military)
	Federal Employee Health Benefits Program
	Medi-Cal (Medicaid in California)
Individual	**Medigap policies (Medicare supplement)**
	Medicare Advantage Plans
	Other individual health insurance

What are Medicare Advantage Plans?

- Medicare Advantage plans are Medicare Part C.
- All MA plans include hospital (Part A) and medical (Part B) benefits.
- Many MA offer additional benefits not covered by Medicare such as dental and vision.
- Some have prescription drug benefits (Part D) and are designated MA-PD plans.
- Those that do not have prescription drug benefits are designated MA-only plans.
- When you join a Medicare Advantage plan, it becomes your Medicare.

Different types of MA plans

- Five types of Medicare Advantage plans:
  1. HMO (Health Maintenance Organization
  2. PPO (Preferred Provider Organization)
  3. MSA (Medical Savings Account)
  4. SNP (Special Needs Plan, e.g. for those who have Medicare and Medi-CAL)

Who is eligible to join?

- Joining a Medicare Advantage plan is optional.
- People who have both Medicare Parts A & B are eligible to join MA plans.
  - But people who have end stage renal disease (ESRD) or kidney failure are not eligible.
- To join SNP, must have Medicare and Medi-CAL.

When can one enroll in Medicare Advantage plans?

- Initial Election Period—7 months for newly eligible beneficiaries:
  - Begins 3 months before month of eligibility and ends 3 months after month of eligibility.
  - Month of eligibility (month of 65th birthday or 25th month of receiving SSDI)
  - *Example:* 65th birthday on October. 13. Seven-month period begins July 1 and ends January 31.
- Annual Election Period: October 15- December 7
- Open Enrollment Period: January 1-March 31

Medicare Advantage Plan Costs

- Monthly **PREMIUM** in addition to Part B premium.
- Annual **DEDUCTIBLE** for PPO plans.
- **COINSURANCE** or **COPAYMENT** for services:
  - Physician visits
  - Prescription drugs (if there is Rx drug benefit)
  - X-rays
  - Inpatient hospital
  - Skilled nursing facility
- Additional costs for optional supplemental package that may include routine dental or vision benefits.

Initial Election Period for Part D

- 7 months for newly eligible beneficiaries
  - Begins 3 months before month of eligibility and ends 3 months after month of eligibility.
  - Month of eligibility (month of 65th birthday or 25th month of receiving SSDI.)
  - *Example:* 65th birthday on October. 13. Seven-month period begins July 1 and ends January 31.

Medicare Summary Notice (MSN)

- Explanation of beneficiaries benefits
- Lists which services were covered by Medicare and which were not.
- Important to review and check any fraud detection

- Contact Medicare if you have questions

1-800-633-4227

- www.medicare.gov

Important Resources

- Medicare: www.medicare.gov 1-800-633-4227
- Comparison and quality of care information on Original Medicare, Medicare Advantage, Medigap, and Part D plans.
- Medicare quality of care issues and complaints.
- California Health Advocates: www.cahealthadvocates.org
- Medicare policy, Advocacy and Education
- California Department of Aging: www.ca.aging.gov
- State department that oversees the execution of the Older Californians Act and the Older Americans Act
- National Council on Aging: www.ncoa.org

Make appointment - HICAP

1-800-434-0222

or

For San Francisco county

(415) 546-2087