Medicare 101---2020

Federal health insurance program administered by the Centers for Medicare and Medicaid Services (CMS) for those who are:

- 65 and older
- Any age & on Social Security Disability payments for 24 months
- Diagnosed with End Stage Renal Disease (ESRD) or ALS (Lou Gehrig’s Disease)

Medicare

- Insurance Program
- Serves mostly people over 65 regardless of Income
- Participants pay part of Costs
- Federal Program—same across the US
- Enrollment through the Social Security Office and Specific information on www.socialsecurity.gov

Medicaid

- Assistance Program
- Serves low-income people of any age
- Participants in the past have paid no part of costs in Ohio
- Federal/State Program—services vary from state to state
- Information through the Ohio Dept. of Medicaid www.medicaid.ohio.gov

Applying for Medicare

- **Apply** with Social Security during a 7 month Initial Enrollment Period (IEP): which is the 3 months before you turn age 65, the month you are 65, and the 3 months after you turn 65. **Everyone on Medicare received a new card with a unique number—not their Social Security number in 2018.**

- **Medicare Will Enroll You Automatically If:**
  - You have been receiving Social Security Disability Benefits for 24 consecutive months before reaching age 65.
  - You have been collecting early Social Security retirement payments (Medicare is not available for early retirees until they reach age 65).

- **If you do not sign up for Medicare (either Parts A or B)** because you are covered under a group health plan based on your or your spouse’s current employment: You have an 8-month period that begins the month after the employment ends or the group health plan coverage ends (whichever happens first) to sign up without having to pay a penalty. Check with your current health plan to determine your options.

Updated 1/2020
Medicare Part A Covers:

- Hospital Care
  - After Initial Deductible of $1408, pays 100% for next 60 days of care
  - After 60 days out of the hospital, deductible is due again if admitted to the hospital
  - Pays the hospital a set amount for a diagnosis regardless of the time there
- Limited number of days in Post Hospital Skilled Nursing Home Care (also called sub-acute or rehab care)
- Skilled Home Health Care Services
- Hospice Care (terminal diagnosis of 6 months or less)

No monthly premium—coverage is automatic for most if eligible for and enrolled in Medicare

Medicare Part B Covers:

- Doctor’s Bills
- Some Outpatient Treatments
- Some Skilled Home Health Care (100% instead of 80%)
- Durable Medicare Equipment
- Some Rehabilitative Therapies
- Some Laboratory Procedures (100% instead of 80%)
- Some Mental Health Services (80%)
- Some Preventative Care

- Voluntary to join, monthly premium is taken from Social Security check
- If choose not to join, pay a penalty if choose to join later unless have existing “creditable” coverage (penalty is 10% for every 12 month period of delay)
- If choose not to join, must wait until an open enrollment period to join (January 1-March 31st with coverage beginning July 1).
- Premium is $144.60 a month for most enrollees (may be higher if income is greater than $85,000).
- Pays 80% of bills after yearly $198.00 Deductible

What Medicare Does Not Cover:

- Most dental care, eye care, and hearing aids
- Intermediate and protective level of care in nursing homes and home care
- Care in “Assisted Living” Facilities & Adult Day Health Services
- Homemaker, chore and meal services in the home
- Non-traditional therapies (except some Chiropractic)
- Transportation Services outside emergencies

Updated 1/2020
Preventive Services & Screenings

- One time Welcome to Medicare Exam
- Yearly Physical
- Abdominal aortic aneurysm screening
- Bone mass screening
- Cardiovascular disease Screening & Counseling
- Colorectal Cancer Screening
- Diabetes screening & Supplies
- Pneumonia vaccines
- EKG Tests
- Flu Shots
- Glaucoma tests
- Hepatitis B shots
- Mammograms
- Pap test
- Prostate Screenings
- Smoking Cessation & Counseling
- Depression Screening
- Obesity Screening & Counseling
- Alcohol Misuse Screening & Counseling
- HIV & Sexually Transmitted Diseases Screening Counseling
- Shingles Vaccine—under Part D

Supplemental Medicare Insurance

- Sometimes called Medigap or Medsup
- Regulated and Standardized
- Choice of 8 Policy Types: A,B,D,G,K,L,M,N
- Coverage is the same in each type
- Medicare Beneficiary should only have one.
- Initial 6 month open enrollment after age 65 and enrolled in Part B—after that period, the plans can turn down people for any reason or choose not to cover pre-existing health conditions.
- Once a person is enrolled, cannot be canceled involuntarily no matter how sick or expensive they are to the plan.
- **Very Different** from Long-Term Care Insurance
- See “Buyers Guides” published for free by the Ohio Dept. of Insurance for more information.

Medicare Advantage Plans (Part C)

- Expanded and better benefits than in the past.
- Many offer set co-pays and deductibles as well as some expanded coverage (eyes, teeth, gym memberships)
- Usually includes prescription coverage. No need for an extra Part D Plan.
- Most cover a specific geographic area—i.e. county.
- **Must** go to plans’ providers to receive coverage outside of emergency care.
- No need for Medsup policy—however if a person drops their policy to enroll in a Medicare Advantage Plan, he/she may pick it back up—ONCE—if they later drop the Medicare Advantage Plan.
- Open Enrollment period for Advantage Plans is extended to January 1-March 31, 2020. After that, a person must keep a plan until the next open enrollment period (Oct. 15-Dec. 7) unless a person moves or is involuntarily dropped.
**Medicare Prescription Drug Coverage (Part D)**

- Available for all people with Medicare
- Covers outpatient medication both name brand and generic.
- Have both statewide or national plans
- Every Medicare Beneficiary should enroll in one unless he/she already has coverage through an employer or retiree plan.
- There is a penalty for not enrolling which is 1% of the premium for each month you delay.
- Need to check your plan each fall in the open Enrollment Period (October 15-Dec.7) and decide to stay in your plan or change plans.

**Medicare’s Standard Drug Plan—2020 Components**

- All Plans have a different cost structure including premiums
- Monthly Premium(average of about $35.00 per month-can vary by plan)
- A Deductible from $0-435.00
- After meeting the deductible, You pay $25% of name brand prescriptions and your plan pays 75%.
- Starting in 2020, the Donut Hole no longer exists.
- Catastrophic Coverage-pays 95% when your total drug costs reach $9719.00
- **Note:** Out of pocket expenses do not include monthly premium or other coverage you may have.

**What Drugs does a Part D Plan Help To Cover?**

- A Plan’s list of covered drugs called a *formulary* is different for each plan
- Plans place their drugs into different “tiers” on their formularies
- Drugs in each tier have a different cost
- Plans may require: prior authorization, quantity limits or step therapy
- If you or your doctor believe that one of these coverage rules should be waived, you can ask for an exception
Medicare Part D---Extra Help for People with Limited Income & Resources

- You may qualify for a Limited Income Subsidy (LIS) from Medicare which gives you extra help to pay prescription drug costs if your yearly income & resources are below the following limits for 2020:

  **Income:**
  - Below 150% of Federal poverty level:
    - $1581.00 a month for an individual
    - $2134.00 a month for a married couple
  - It varies based on family size

  **Resources**
  - Up to $14,390 for an individual
  - Up to $28,720 for a married couple
  - Includes $1500 a person funeral or burial costs
  - Counts savings and stocks but does not count cash value of life insurance
  - Does not count home you live in
  - To apply—call or go online to the agencies listed on p. 6 of this handout

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Medicare Savings Programs- What Are They?

- Qualified Medicare Beneficiary (QMB)---Pays Part B premiums, deductibles and any co-insurance
- Specified Low Income Medicare Beneficiary (SLMB)---Pays Part B premiums
- Qualified Individual (QI)---Pays Part B premiums
- All of these qualify a person for extra help with prescription drug coverage (Part D)
- Apply for these with Ohio Department of Job and Family Service or Ohio Dept. of Medicaid.
  www.medicaid.ohio.gov

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PROTECT Yourself From Unscrupulous Sales Practices

- The following sales tactics are prohibited:
  - Door to door sales
  - Giving out cash or gifts exceeding $15.00
  - Misrepresenting a plan or giving incomplete information
  - A company representing themselves as Medicare
  - Report to Ohio Department of Insurance at 1-800-686-1527
Important Mailings in 2020: Pay Attention

August-December 2020
- Re-determination by Social Security for extra help
- Auto Plan assignment by Centers for Medicare & Medicaid
- Plan drops out - Notice Sent
- Plan Premium goes above benchmark (about $35.00 a month in 2020)
- State records no longer show deemed eligible — CMS will notify
- ANOC — Annual Notice Of Change from your current plan
- Letter from Existing Health Plan about future coverage

Medicare: Where to Find Information or Get Assistance

- Central Ohio Area Agency on Aging 800-589-7277, www.coaaa.org
- Social Security Administration, 1-800-772-1213, www.ssa.gov

About the Sponsor

The Central Ohio Area Agency on Aging is an advocacy, service and development agency, serving the interests of older adults in 8 counties (Delaware, Fairfield, Fayette, Franklin, Licking, Madison, Pickaway and Union). Programs include the Older Americans Act, PASSPORT, Franklin County Senior Options, Volunteer Guardian, Speakers Bureau, Caregiver Support, Training & Education. Operated by Columbus Recreation & Parks Dept., Cindy Farson, COAAA Director. Call 614-645-7250 or 1-800-589-7277 for general information. www.coaaa.org