



Making Sense of Medicare 2019

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Medicare vs. Medicaid

- Medicare and Medicaid began in 1965 as part of President Johnson's "Great Society".
- **Medicare** is a federal government program that provides health care coverage for people **65 or older or who have a severe disability**.
- **Medicaid**, is not the same as Medicare. Medicaid is a joint federal and state health insurance program for people of **any age** with low income and limited resources. Coverage is different from state to state.

You are eligible for Medicare if...

- You are a U.S. citizen or have your resident visa and have lived in the U.S. for 5 consecutive years; and
 - You are 65 and older; or
 - You have been getting disability benefits for at least 24 months; or
 - You have kidney failure; or
 - You have ALS (Lou Gehrig's disease).

How and When to Enroll

- **If you already receive retirement benefits from Social Security:**
 - You will be auto-enrolled starting the first day of the month you turn age 65.
 - Your Medicare card will be mailed to you about 3 months before your 65th birthday.
- **If you are close to age 65 and haven't filed for Social Security Benefits:**
 - You have a 7 month window to enroll - 3 months prior to your 65th birthday month, the month you turn 65, and 3 months after. [Exception: If your birthday is the first of the month]
- **To apply, contact SSA at 1-800-772-1213 OR go on-line to ssa.gov OR go to the SSA Office in the Federal Building (100 S. Clinton St., Syracuse)**

How and When to Enroll

■ **Under 65 and Disabled**

- Will be auto-enrolled 24 months after the start of Social Security Disability Benefits.

■ **End-Stage Renal Disease**

- Can apply for Medicare when diagnosed. Coverage starts the fourth month of dialysis treatments or the month you get your kidney transplant.

■ **ALS (Lou Gehrig's Disease)**

- Will be auto-enrolled the first month Social Security Disability payments begin. The only waiting period is the 5 month waiting period to get SSDI.

HSA and Medicare

- If you contribute to a health savings account as you have a high deductible plan, you need to stop contributing 6 months prior to going onto Medicare.
- Pt. A can be retroactive for 6 months
- Discuss this with your tax professional as it may have tax implications

New Medicare Cards

- Replaced SSN with an 11-digit identifier known as the Medicare Beneficiary Identifier (MBI)
 - Composed of a series of numbers and upper case alphabet (excluding letters B, I, L, O, S and Z)
- Unique to each beneficiary
 - People new to Medicare will receive card with new identifier
 - ALL existing beneficiaries will receive a new card with MBI
- Providers can bill to either number through 2019

Parts of Medicare

- **Medicare Benefits are administered through four different “Parts.”**
 - **Part A** – Hospital/Inpatient Benefits
 - **Part B** – Doctors/Outpatient/Durable Medical Equipment Benefits
 - **Part C** – Private Health Plans (HMO, PPO, PFFS)
 - A way to get Parts A, B and D through one private plan.
 - May offer additional non-Medicare benefits
 - **Part D** – Prescription Drug Benefit

Medicare Part A (Hospital Insurance)

■ What it Covers:

- Inpatient Hospital Care
- Post Hospital Skilled Nursing Facilities
(not unskilled or long-term care)
- Hospice Care
- Some Home Health Care
- Coverage is the same from State to State

Medicare Part A (Hospital Insurance)

■ What You Pay:

- FREE if you have worked at least 10 years (40 quarters) in the U.S. Up to \$437 monthly premium in 2019 for those who do not get premium-free Part A.
- \$1,364 deductible and no coinsurance for days 1-60 of a hospital stay in a benefit period.
- \$341 per day in the hospital for days 61 – 90 each benefit period.
- No co-payment for the first 20 days in a Skilled Nursing Facility following a three day hospital stay and \$170.50 per day for days 21 – 100. All costs after the 100 days.

Medicare Part B (Medical Insurance)

■ What it Covers:

- Physician Services
- Outpatient Hospital Care
- Durable Medical Equipment
- Diabetic Supplies (test strips, lancets, glucose monitors)
- Ambulance Services, on a limited basis
- Lab and Diagnostic Testing
- Some Physical & Occupational Therapy
- Some Home Health Care
- Preventive Services
- Coverage is the same from State to State

What is not Covered by Medicare

- Acupuncture
- Cosmetic surgery
- Dental care
- Eyeglasses *
- Hearing aids
- Routine Vision/Refraction
- Routine foot care *
- Routine physical examination *
- Services outside of USA*

**Some exceptions may apply*

Observation Status & Medicare

- Medicare Outpatient Observation Notice (MOON)
 - Formal notice that beneficiary is outpatient, not inpatient
 - Notice required to be given by hospitals as of March 2017
 - For beneficiaries who receive observation services for more than 24 hours
 - Hospital must provide MOON no later than 36 hours after services begin
- Days under observation status do not count toward 3-day stay which is required for coverage of skilled nursing facility
- Drugs covered by Part D
 - Hospital pharmacy is probably out of network
 - Need to pay up to charge and submit claims to Part D plan
 - Part D plan will only reimburse up to their rate

Medicare Part B (Medical Insurance)

■ What You Pay:

- \$135.50 per month in 2019 if you file an individual tax return and your income in 2017 was \$85,000 or less or if you file a joint tax return of \$170,000 or less. (Premiums increase on a sliding scale for individuals in higher income brackets)
 - \$185 annual deductible in 2019
 - 20% of the Medicare approved amount after the deductible
 - 20% for outpatient mental health care
 - There is no longer a cap for physical, speech and occupational therapy
- **Some services not subject to deductible or coinsurance**
- Laboratory Tests, Flu and Pneumonia Vaccines
- NYS Medicare Savings Program will pay the Medicare premium for people with limited incomes.

If You Didn't Enroll in Part B When First Eligible

- **General Enrollment Period –**

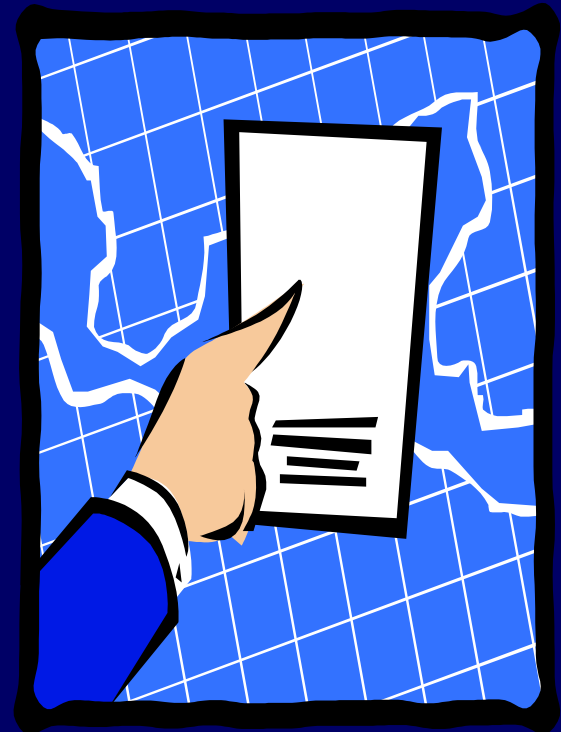
From January 1 – March 31 of each year to be effective July 1. The cost of Part B will go up 10% for every 12 months that you were eligible but didn't enroll.

- **Special Enrollment Period –**

If you did not sign up for Part B because you or your spouse were working and had group health coverage through current active employment, you can sign up anytime while still covered or during the 8 month period following the month your group coverage ends. There are additional requirements for this. **You may not be subject to a higher premium penalty.**

Medicare Summary Notice

- Once every 90 days
 - For ASSIGNED claims
 - Combined Part A and Part B MSN
- Contains:
 - Dates of service
 - Procedure codes
 - Provider's name and address
 - Payment information
 - Beneficiary's responsibility
- You can also set up a personal account on MyMedicare.gov



New York State SMP Has Its Own Toll-Free Number!



1- 877- 678 - 4697



Medicare Secondary Payer

■ Who Pays First?

Medicare or Employer Group Health Plan ?

- Employer Group Health Plan is **PRIMARY** if
 - Insurance is through active current employment
 - 20 or more employees
 - (100 or more for disabled)
 - Employee or spouse
 - Full-time or part-time
- When retired, Medicare is generally primary.

Ways to Supplement Original Medicare Coverage

- Through a current or former job or union (employer or retiree insurance coverage).
- By buying it from an insurance company that sells Medigap policies.
- From the state through Medicaid if very low income.

What is Medigap?

- A health insurance policy that helps pay out-of-pocket costs not covered by Original Medicare (the “gaps”)
- Medigap only covers services approved by Medicare - Does not have prescription coverage
- Sold by private insurance companies
- You pay a monthly premium for the Medigap policy
- You must have Medicare Parts A & B
- In NYS, there is a choice of standardized Medigap plans labeled A through N, based on what benefits you want.
- NYS offers continuous open enrollment
- Nationwide coverage – no network of providers
- Up to six month waiting period for pre-existing (PE) conditions
 - May not be subject to PE waiting period if had prior coverage

Medicare Part D

- Outpatient prescription drugs
- Different from Parts A and B:
 - Covers prescriptions which you get at a pharmacy
- Two ways to get Medicare drug coverage:
 - If you have **Original Medicare:**
 - Stand-alone prescription drug plan (PDP).
 - Private plan offering only drug coverage.
 - If you have a **Medicare Advantage Plan:**
 - Must join the Part D Plan offered by your Medicare Advantage Plan. Some exceptions.

Significant Points about Part D

- Anyone with Medicare Part A, Part B or both is eligible to enroll in a Part D Plan.
- Medicaid/Medicare recipients (dual-eligibles) will be auto-enrolled in a Part D Plan.
- If you have low income, you may get “extra help” through Social Security’s Low Income Subsidy.
- Medicaid recipients and those LIS eligible for “full extra help” may pay no monthly premium or deductible.

Significant Points about Part D

- Offered by private Prescription Drug Plans (PDPs).
- Beneficiaries with higher incomes may pay higher premiums. [Called IRMAA - income-related monthly adjustment amount]
- Strict marketing rules apply to these companies.
- Each Medicare PDP has its own formulary (list of covered drugs), which may include both brand name and generic drugs.

Significant Points about Part D

- Medicare PDP's must offer at least 2 drugs under each drug class. In addition, each plan must cover a majority of drugs in the following classes:

Antidepressants	Anti-psychotics
Anticonvulsants	Anti-retrovirals
Anticancer	Immunosuppressants
- Part D plans must cover barbiturates "when used to treat epilepsy, cancer, or a chronic mental health disorder" as well as benzodiazepines.

Exceptions & Appeals

- If a drug is not on the PDP's formulary, participant could ask their doctor to change the prescription to a covered drug. Plans may cover a one-time 30 day supply through a transition period.
- If no covered drug will work, ask the plan for an "exception" to its formulary. Your doctor must certify that the drug is necessary. Plan must make a decision within 72 hours.
- If plan denies your request, you can appeal the decision.

Standard Plan Features in 2019

- **There are 4 stages of a Part D plan**
- **Deductible:**
In 2019, this will be no more than \$415
- **Initial Coverage:**
During this stage, member pays 25% (on the average)
- **Coverage Gap:**
Has gone away for brand name drugs in 2019 – member pays 25% (on the average)
Generic drugs – member pays 37% (on the average)
- **Catastrophic Coverage:**
Member will pay \$3.40 for generics and \$8.50 for brand name medications or 5% (whichever is greater)

Enrollment Periods

- Individuals aging into Medicare have a 7 month window to enroll - 3 months prior the month they turn 65, their birthday month and 3 months after (the same as Part B).
- Annual General Open Enrollment Period is from **October 15 – December 7** to enroll in or change Part D plans to become effective January 1.

Creditable Coverage

If you have drug coverage that is equal to or better than Medicare Part D, you have “creditable coverage” and will not need to enroll in Part D. Your insurance company will let you know. You should save proof of this creditability for future reference.

Late Enrollment Penalty

- Penalty began being assessed as of June 2006
- For any period over 63 days without creditable coverage
- **The late enrollment penalty is calculated by multiplying 1% of the "national base beneficiary premium" (\$33.19 in 2019) times the number of full, uncovered months you were eligible but didn't join a Medicare drug plan and went without other creditable prescription drug coverage. The final amount is rounded to the nearest \$.10 and added to your monthly premium.**
 - The national base beneficiary premium may increase each year, so the penalty amount may also increase every year.
 - EXCEPTION: Does not apply to LIS or MSP who enroll when approved.

Special Enrollment Periods

- Beginning in 2019, dual-eligible & Low Income Subsidy recipients can switch Part D plan once per calendar quarter during the first three quarters of the year.
 - If recipient loses Medicaid or LIS, have one 3-month period to enroll in a Part D plan with no Late Enrollment Penalty.
- If your creditable coverage is discontinued, you will have 63 days to be enrolled into a Medicare Part D Plan without a penalty.

Part C – Medicare Advantage Plans

- Plans include:
 - HMO – Health Maintenance Organization
 - PPO – Preferred Provider Organization
 - PFFS – Private Fee-for-Service
- Private insurance companies administer your Medicare instead of the government.
- Use doctors & hospitals in their network or that accept their plan.
- You pay more for out-of-network providers or those that do not accept plan's terms.
- Very strict marketing rules apply to these plans.

Medicare Advantage Plans

- Some plans offer Medicare Part D Prescription Drug Coverage
- You may pay low or no monthly premium on top of your Part B premium.
- You may pay co-payments when receiving services.
- Plan may offer additional benefits not offered by original Medicare (hearing, vision, dental, etc.)

Medicare Advantage Plans

- Eligibility
 - Must Have Parts A and B
 - Must NOT Have End Stage Renal Disease (ESRD)
 - Must Live in Service Area of Plan
- Switching Plans
 - **October 15 – December 7**
 - Annual General Open Enrollment Period
 - To be effective January 1st of following year
 - **Medicare Advantage Open Enrollment Period**
 - January 1 – March 31; effective the first of following month
 - Will be able to disenroll from Medicare Advantage plan to go back to Original Medicare & enroll into a Part D plan
 - **OR** will be able to enroll into another Medicare Advantage plan

Health Maintenance Organization (HMO)

- Primary Care Physician (PCP)
- In-Network Benefits ONLY
- May need a referral for specialists
- Co-payments
- Covers at least what Medicare does
- Some plans may offer Point-of-Service option to go to an out-of-network provider for certain services

Preferred Provider Organization (PPO)

- Network of providers plus additional benefits
- Access to out-of-network (OON) providers
 - May pay higher co-payments for OON
 - May have out-of-pocket limit for OON
- No referrals for specialists in network
- Covers at least what Medicare does

Private Fee for Service (PFFS)

- No referrals needed for a specialist
- Has a provider network or you can use any provider willing to accept plan
 - “Deemed Provider” must bill plan
 - Non-deemed providers should not provide service (except in emergency)
 - Provider can choose to accept plan (or not) for each visit
 - Plan pays provider same rates as Medicare
- Beneficiary pays co-payment or coinsurance
- Covers at least what Medicare does

Medicare Advantage Plans & Part D

- Medicare participants enrolled in a Medicare Advantage Plan (MA) may wish to contact the plan to determine into which Part D plan they can enroll.
- If you enroll in a Part D Plan that does not work with your Medicare Advantage Plan, you will lose your Medicare Advantage health care coverage.

Choosing a Part D or Medicare Advantage Plan

- It is important to compare plans
 - The plan which is best for your spouse, friend or loved one may not be the best plan for you. Each person is an individual.
- Call HIICAP at 315-435-2362 ext.4944
- Call 1-800-MEDICARE or compare plans online at www.medicare.gov
- Have list of prescriptions and dosages ready.

Help With Prescription Costs

- Generic Drugs
- Tier Exception
- Preferred Pharmacies
- Mail Order
- EPIC
 - May assist with premium costs
 - Can reduce prescription costs
- Extra Help
 - Low Income Subsidy
 - Medicare Savings Program
- Charity Programs
- Patient Assistance Programs

Extra Help Low Income Subsidy (LIS) Co-payments in 2019

Beneficiary Status	Copayment
Institutionalized (having both Medicare & Medicaid)	\$0
Community Dual-Eligible (having both Medicare & Medicaid) (100% FPL)	\$1.25 / \$3.80
Full Extra Help Recipients (LIS & MSP/LIS)	\$3.40 / \$8.50



Onondaga County **HIICAP**

Health Insurance Information, Counseling
and Assistance Program

315 - 435 - 2362 ext. 4944

Free, Unbiased and Confidential

A HIICAP Counselor can:

- Provide information on Medicare
- Provide information on all supplemental insurance available.
- Explore prescription options

Additional Resources

- Medicare

- www.medicare.gov
- 1-800-MEDICARE (1-800-633-4227)

- Social Security Administration

- www.ssa.gov
- 1-800-772-1213

- Medicare Rights Center

- www.medicarerights.org
- Helpline: 1-800-333-4114



Thank you
for joining me today