



ODI
Ohio Department
of Insurance



OSHIP
Answers to your
Medicare questions

2017 Volunteer Refresher Training

John R. Kasich, Governor
Jillian Froment, Director



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Medicare 2017

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

1. 65 and older
2. any age and Disabled
3. diagnosed with End Stage Renal Disease (ESRD)

Option 1

Original Medicare

Part A and Part B

+

Secondary Insurance

GHI, MedSup, or Medicaid

+

Rx Coverage Part D or GHI

OR

Option 2

Medicare Advantage

(Part C)

1. Hospitalization,
2. Medical
3. Rx (MA-PD)



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2018 Part A Amounts

- For inpatient hospital stays in 2018
 - Each benefit period you pay
 - \$1,340 total deductible for days 1 – 60
 - \$335 co-payment per day for days 61 – 90
 - \$670 co-payment per day for days 91 – 150 (60 lifetime reserve days)
 - All costs for each day beyond 150 days
- For Skilled Nursing Facility Care
 - \$167.50 per day for days 21 - 100



2018 Part B Amounts

- Part B Monthly Premium- \$134*
 *average \$130 (enrolled before 2017 with SSA deduction)
- Part B Annual Deductible - \$183
- Part B Coinsurance- Generally 20%

If your yearly income in 2016 was:

File individual tax return	File joint tax return	You pay
\$85,000 or less	\$170,000 or less	\$134
Above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	\$187.50
Above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	\$267.90
Above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	\$348.30
Above \$160,000	above \$320,000	\$428.60



Hold Harmless

- Cost of living increase in 2018 (2.2%)
 - Part B increase cannot decrease SSA cash benefit to enrollees
- \$130 (average)
 - Enrolled in Part B 2016
 - AND
 - Premium deducted from SSA benefit
- \$134
 - New to Medicare in 2017-18
 - Part B not getting deducted from SSA benefit
 - Those affected by IRMA



Part D Costs in 2018

- **Average Monthly Premiums-** \$33.50
- **Annual Deductible-** \$0-\$405
- **Copays-** 25% or flat copay amounts based on formulary
- **Coverage Gap** (doughnut hole)- \$3,750-\$7,508.75 in total drug costs.
- Coverage Gap discounts: 65% discount on brand name medications and 56% discount on generic medications during the coverage gap
- Discounts to increase each year until gap is closed in 2020
- **Catastrophic Coverage-** Approx. 5% copay after coverage gap

Things to Consider

- All plans have a different cost structure!
- Late enrollees may incur a 1% penalty for each month of delay
- Those with limited incomes/resources may qualify for extra help (Limited Income Subsidy-LIS) through the Social Security Administration



Standard Part D Benefit Parameters

Benefit Parameters	2017	2018
Deductible	\$400	\$405
Initial Coverage Limit	\$3,700	\$3,750
Out-of-Pocket Threshold	\$4,950	\$5,000
Total Covered Drug Spending at OOP Threshold	\$7,425	\$7,508.75
Minimum Cost-Sharing in Catastrophic Coverage	\$3.30/\$8.25	\$3.35/\$8.35

Part D Coverage Gap

- If you reach the coverage gap in 2018
 - You get a 65% discount on brand-name Rx drugs
 - You get a 56% discount for generic drugs
- Additional savings in coverage gap each year
- Gap to be closed in 2020



Closing the Coverage Gap

Year	Discount on Brand-Name Drugs in the Coverage Gap	Discount on Generic Drugs in the Coverage Gap
2017	60%	49%
2018	65%	56%
2019	70%	63%
2020	75%	75%



Pharmacy Selection

Network pharmacies

- Pharmacies that have agreed to provide members of certain Medicare plans with services and supplies at a discounted price. In some Medicare plans, your prescriptions are only covered if you get them filled at network pharmacies.

Preferred pharmacy

- A pharmacy that's part of a Medicare drug plan's network. You pay lower out-of-pocket costs if you get your prescription drugs from a preferred pharmacy instead of a non-preferred pharmacy.

Non-preferred pharmacy

- A pharmacy that's part of a Medicare drug plan's network, but isn't a preferred pharmacy. You may pay higher out-of-pocket costs if you get your prescription drugs from a non-preferred pharmacy instead of a preferred pharmacy.



2017 Low Income Subsidy (Extra Help)

Anyone with Medicare can join a Part D plan but some may qualify for Extra Help to pay the out of pocket costs

- Reduced or NO Premium
- Reduced or NO Deductible
- No more than 15% copays

NO DOUGHNUT HOLE

Income:

single- \$1,528

married \$2,050

Resources:

single- \$13,820

married-\$27,600



2017 Medicare Savings Programs

Qualified Medicare Beneficiary (QMB)

The QMB program acts like a free Medicare supplement policy. QMB pays: Part B premium, all deductibles and coinsurance that Medicare does not pay

QMB Eligibility	Single	Married
Monthly income:	\$ 1025	\$1,374
Total resources:	\$ 7,390	\$11,090

Specified Low Income Medicare Beneficiary (SLMB)

SLMB pays the Medicare Part B premium

SLMB Eligibility	Single	Married
Monthly income:	\$ 1,226	\$ 1,644
Total resources:	\$ 7,390	\$11,090

Qualified Individual (QI) - QI pays the Medicare Part B premium

QI Eligibility	Single	Married
Monthly income:	\$ 1,377	\$ 1,847
Total resources:	\$ 7,390	\$11,090



OPERS

- Members use One Exchange to select individual Medicare product
 - Original Medicare/Medigap/Part D
 - Medicare Advantage Plan
- OPERS provides HRA allowance to offset cost of chosen plan
 - Members must enroll in healthcare through One Exchange to receive reimbursement



Health Savings Accounts vs Health Reimbursement Accounts

HSA

- Funds pay medical expenses
 - Deductibles, copays, etc
- Employer and employee contribute funds
- Unused funds roll over
- Generally linked to High Deductible Health Plan
- Cannot **contribute** to HSA once on Medicare
 - Existing funds can be used for Medicare expenses

HRA

- Funds reimburse paid health care expenses
 - Premiums, copays, etc
- Employee cannot contribute own funds into account
- Unused funds roll over
- Spouse can use account funds for healthcare expenses
- Can use if on Medicare



MOON Notice

- Effective (no later than) 3/8/17
- Requires hospitals to provide notification to individuals receiving observation services as outpatients for more than 24 hours explaining:
 - the status of the individual as an outpatient, not an inpatient,
 - and the implications of such status.
- Form will include medical reasoning for observation status
 - Must be explained verbally and signed by patient or representative

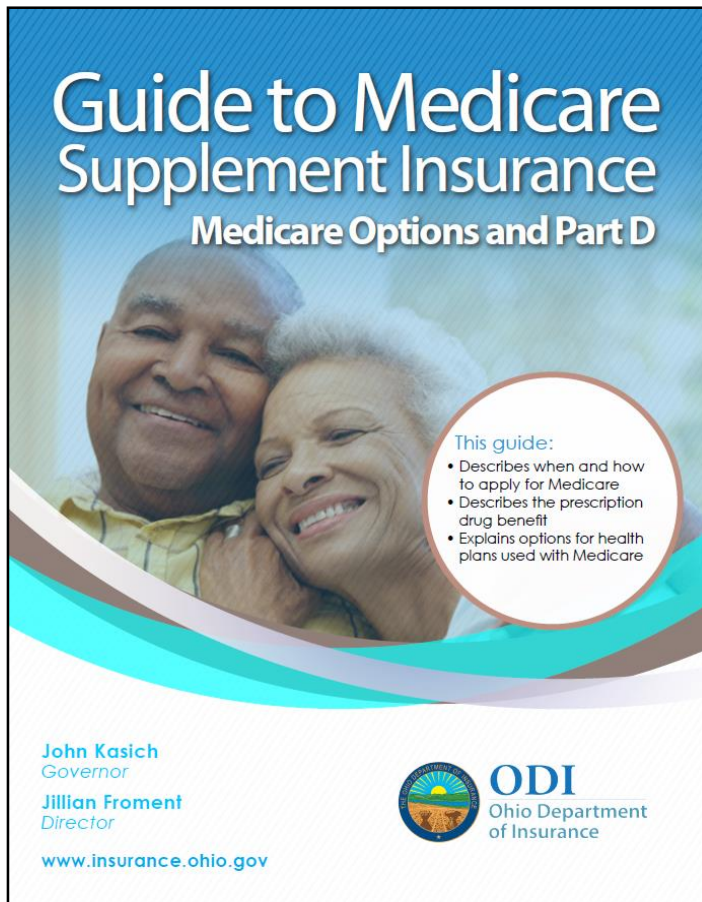


New Medicare Cards are Coming!

- Cards will be mailed between April 2018 - April 2019
- New cards will use a unique, randomly assigned number called a Medicare Beneficiary Identifier (MBI) to replace SS numbers
- How to prepare beneficiaries:
 - Make sure mailing address is up-to-date with Social Security
 - Beware of anyone who contacts you about your new Medicare card, CMS does NOT make phone calls
 - Mailing new cards will take time, your card may arrive at a different time period than family and friends



Thank you for your time and attention.



Questions?



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