



**ODI**  
Ohio Department  
of Insurance

# Medicare 101

Mike DeWine, Governor  
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Ohio Department  
of Insurance

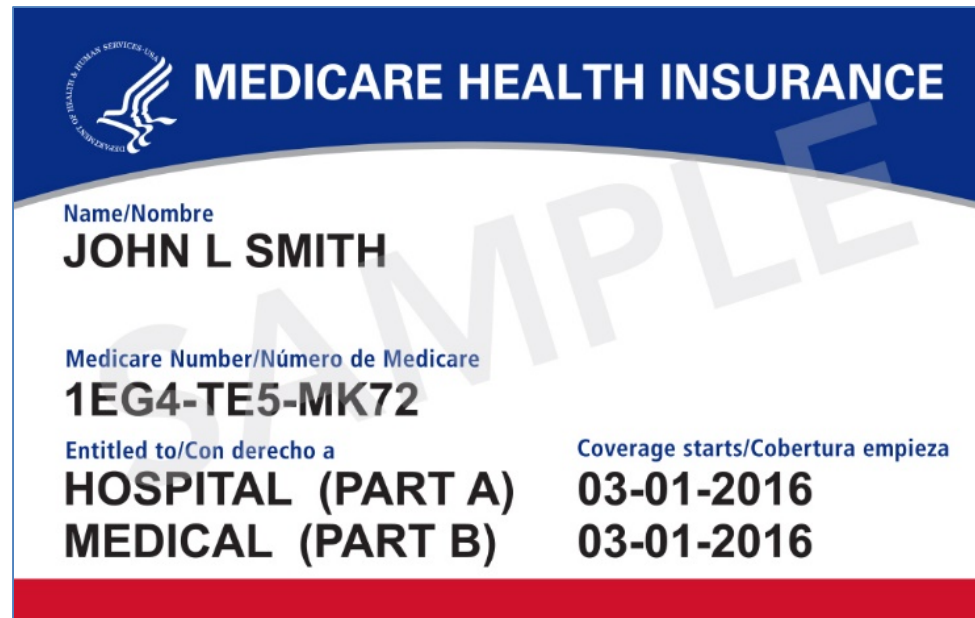


- Premier, federally funded program for Medicare education in Ohio
- Provides free, unbiased, objective Medicare information and counseling services
  - Counselors available at 1-800-686-1578
- Partners with community groups to provide local, personalized counseling services



# New Medicare Cards

- Coming in 2018
- New Cards with new numbers
- “Guard Your Card”



# What is Medicare?

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)



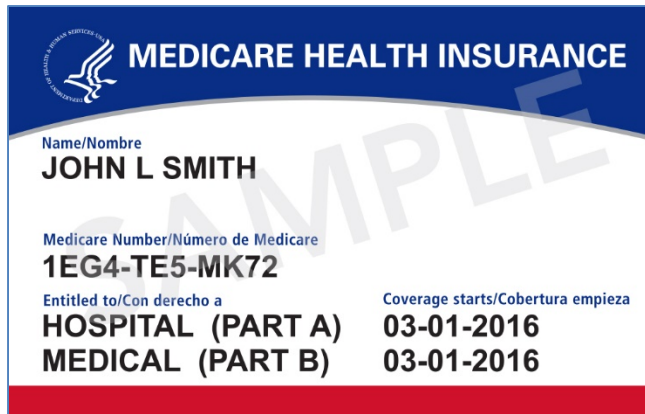
# Applying for Medicare

- Enrollment automatic if you get Social Security or Railroad Retirement benefits prior to Medicare eligibility
- All others must apply with Social Security (or Railroad Retirement) during their

## **7 month Initial Enrollment Period (IEP)**

- 3 months before your 65<sup>th</sup> birthday
  - Month of your 65<sup>th</sup> birthday
  - 3 months after your 65<sup>th</sup> birthday
- If you are covered under your (or your spouse's) **current** employer group health plan, you may delay enrollment into Medicare Part B





## Part A- Hospital

- Inpatient Hospitalization
- Skilled Nursing Facilities
- Home Health Care
- Hospice

- ❖ Medicare was never intended to pay 100% of health care costs
- ❖ Medicare does not cover non-medically necessary services or care outside the USA in most cases
- ❖ Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) must be obtained from a contracted supplier

## Part B- Medical

- Outpatient services
- Doctors/Providers
- Preventive Benefits
- Durable Medical Equipment



# Medicare Preventive Benefits

- Screening tests and procedures
- No out-of-pocket costs for most preventive benefits
- Examples:
  - Flu, Pneumonia, Hepatitis B Vaccine
  - Welcome to Medicare Physical & Annual Wellness Checks
  - Diabetes testing supplies
- Complete list at [www.medicare.gov](http://www.medicare.gov) or Medicare & You Handbook



# 2019 Medicare Amounts

## Part A

- Monthly Premium \$0 for most
- Hospital Deductible  
\$1,364/benefit period
- Hospital Copays  
\$341/day, days 61-90  
\$682/day, days 91-150  
(Lifetime Reserve Days)
- Skilled Nursing Copay  
\$170.50/day, days 21-100

## Part B

- Monthly Premium \$135.50
  - Premium may be income based
  - Late enrollees may incur a 10% penalty for each year of delay
- Annual Deductible \$185
- Copayments generally 20% of Medicare Approved Amount

Use [MyMedicare.gov](https://www.medicare.gov) to see all your Medicare claims!





# 2018 Medicare Savings Programs (MSP)

- Pay Part B Premium
  - QMB pays Part A & B coinsurance & deductibles
- Income less than
  - \$1,386/month- single
  - \$1,872/month- married
- Resources less than
  - \$7,730- single
  - \$11,600- married

Call OSHIIP or local Jobs & Family Services Office for application



# Secondary Insurance

**Original Medicare**

Part A and Part B

+

**Secondary Insurance**

GHI, MedSup, or Medicaid

- **Group Health Insurance (GHI)**
  - Insurance from a former employer or union that supplements Medicare
- **Medicaid**
  - Assistance for those with limited income and resources
  - Medicare Savings Programs
- **Medicare Supplemental Insurance**
  - Private insurance that coordinates with Original Medicare
  - Also called Medigap or MedSup



# Medicare Supplement Insurance

- Plans are standardized
  - All companies sell same plans (A,B,C,D,F,G,K,L,M,N)
  - Plan premiums vary between companies
- No Network
- Pay only after Original Medicare (Parts A & B)
  - Little or no out-of-pocket cost after monthly premium
- Guaranteed Issue
  - Open Enrollment- 6 months beginning with Part B effective date at age 65 or older
  - Special Circumstances- typically 63 days after loss of coverage



# Medicare 101

**Original Medicare**  
Part A and Part B

+

**Secondary Insurance**  
GHI, MedSup, or Medicaid

+

**RX Coverage**  
Part D or GHI

## 1. Primary Coverage

## 2. Secondary Coverage

## 3. Prescription Drug Coverage



# Medicare Part D

- Medicare's Prescription Drug Coverage
  - Offered by private companies that contract with Medicare
  - Available two ways
    - Stand Alone Prescription Drug Plans (PDPs)
    - Available through Medicare Advantage Plans (MAPDs)
  - Initial enrollment is the same as Part B
- ALL people with Medicare can get Part D
  - May not need Part D if you have creditable coverage
- Open Enrollment **October 15<sup>th</sup>- December 7<sup>th</sup>**
  - Coverage begins January 1
  - Special enrollment times based on circumstance
- Review plans annually with OSHIIP or [www.medicare.gov](http://www.medicare.gov)



# 2018 Low Income Subsidy

## (Extra Help with Prescription Drug Costs)

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

## **NO DOUGHNUT HOLE**

Income:

single- \$1,538

married- \$2,078

Resources:

single- \$14,100

married- \$28,150



# Review Drug Plans Each Year!

(3 C's of PDPs)

- Convenience

- Network & Preferred Pharmacies
- Mail Order Option

- Coverage

- All plans have a different formulary
- Take the formulary with you when seeing your physicians

- Cost

- Know all possible costs!

Compare annually at [www.medicare.gov](http://www.medicare.gov)!



# Part D Costs in 2019

- **Average Monthly Premiums-** \$32.50
- **Annual Deductible-** \$0-\$415
- **Copays-** 25% or flat copay amounts based on formulary
- **Coverage Gap** (doughnut hole)- \$3,820-\$7,653.75 in total drug costs
  - 75% Brand Name Discount
  - 63% Generic Discount
  - Gap will be closed in 2020
- **Catastrophic Coverage-** Approx. 5% copay after coverage gap

## Things to Consider

- All plans have a different cost structure and formulary
- Costs based on individual drug needs and change annually
- Late enrollees may incur a 1% penalty for each month of delay





# Medicare Options

## Option 1

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Part A and Part B

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Part D or GHI

**OR**

## Option 2

**Medicare Advantage  
(Part C)**

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



# Medicare Advantage

- Available to those
  - enrolled in Part A & B
  - That live within the plan's service area (county)
  - No age or medical restrictions
    - Except ESRD
- Alternative to Original Medicare
  - Offered by private companies to replace Original Medicare
  - Plans types
    - HMO (Health Maintenance Organization)
    - PPO (Preferred Provider Organization)
  - Most plans include Part D benefit (MAPD)
  - Enrollees pay Part B premium and any other applicable costs
  - Networks, Premiums and Copays vary by plan



# Medicare Advantage

- Initial Enrollment Period
  - 7 Months surrounding Medicare eligibility
- Open Enrollment **October 15<sup>th</sup>- December 7<sup>th</sup>**
  - Coverage begins January 1
  - Other enrollment times based on circumstances
- MA Open Enrollment Period **January 1<sup>st</sup> - March 31<sup>st</sup>**
  - Switch MA plans
  - Drop MA Plan and return to original Medicare
  - Coverage begins first of month after you enroll

\*Must be in a MA plan on Jan. 1 to use this enrollment period.

\*Can't use enrollment period to pick up Part D for the first time.



# Moving Between Options

- Supplement to Medicare Advantage
  - Guaranteed Issue anytime enrollment is open
- Supplement to Supplement
  - No Guaranteed Issue
  - Can try anytime
    - no annual open enrollment period
- Medicare Advantage to Medicare Advantage
  - Guaranteed Issue anytime enrollment is open
- Medicare Advantage to Supplement
  - No Guaranteed Issue
  - Unless in a Special Enrollment Period



# At a Glance

|                         | Medicare Supplement  | Medicare Advantage  |
|-------------------------|--|---|
| Cost                    | <ul style="list-style-type: none"> <li>• Part B Premium</li> <li>• Higher plan premium</li> <li>• \$150-\$200+ monthly</li> <li>• Little or no out of pocket cost when used</li> </ul> | <ul style="list-style-type: none"> <li>• Part B Premium</li> <li>• Lower plan premium</li> <li>• \$0-\$100/month</li> <li>• Charged out of pocket cost as plan is used</li> </ul> |
| Provider Choice         | <ul style="list-style-type: none"> <li>• Any provider that accepts Medicare</li> <li>• May have foreign travel emergency coverage</li> </ul>   | <ul style="list-style-type: none"> <li>• Plan will have a provider network. Cost will be higher out of network</li> <li>• Check with plan for travel restrictions</li> </ul>      |
| Considerations          | <ul style="list-style-type: none"> <li>• Important to use any provider without network restrictions</li> <li>• Can afford higher monthly premiums</li> </ul>                           | <ul style="list-style-type: none"> <li>• Willing to use network of providers</li> <li>• May have added benefits (vision, dental, hearing, fitness, etc.)</li> </ul>               |
| Drug Coverage Included? | <ul style="list-style-type: none"> <li>• No</li> <li>• Need to purchase separate Part D Plan</li> </ul>  | <ul style="list-style-type: none"> <li>• Yes</li> <li>• Some plans available without drug coverage</li> </ul>   |



# Know Your Options!

## Option 1

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### RX Coverage

Part D or GHI

# OR

## Option 2

### Medicare

### Advantage

(Part C)

1. Hospitalization,
2. Medical
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# Protect Yourself From Unscrupulous Sales Practices

- The following sales tactics are prohibited:
  - Door to Door Sales
  - Giving out cash gifts or gifts exceeding \$15
  - High Pressure Sales Tactics
  - Misrepresenting a plan or giving incomplete information
  - Representing themselves as Medicare
- If you feel you have been victimized by an agent or a company
  - Get as much information as possible
    - Agents card, including name, address, phone
    - Company and plan information
  - Report the incident to the Ohio Dept. of Insurance at;
    - **1-877-727-6427** Healthcare Exchange Reports
    - **1-800-686-1527** All Other Reports



# Thank you for your attention Questions?



1-800-686-1578

[www.insurance.ohio.gov](http://www.insurance.ohio.gov)



1-800-MEDICARE  
[www.medicare.gov](http://www.medicare.gov)  
[www.mymedicare.gov](http://www.mymedicare.gov)



1-800-772-1213  
[www.socialsecurity.gov](http://www.socialsecurity.gov)



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