



Medicare 101

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Part A
Part C

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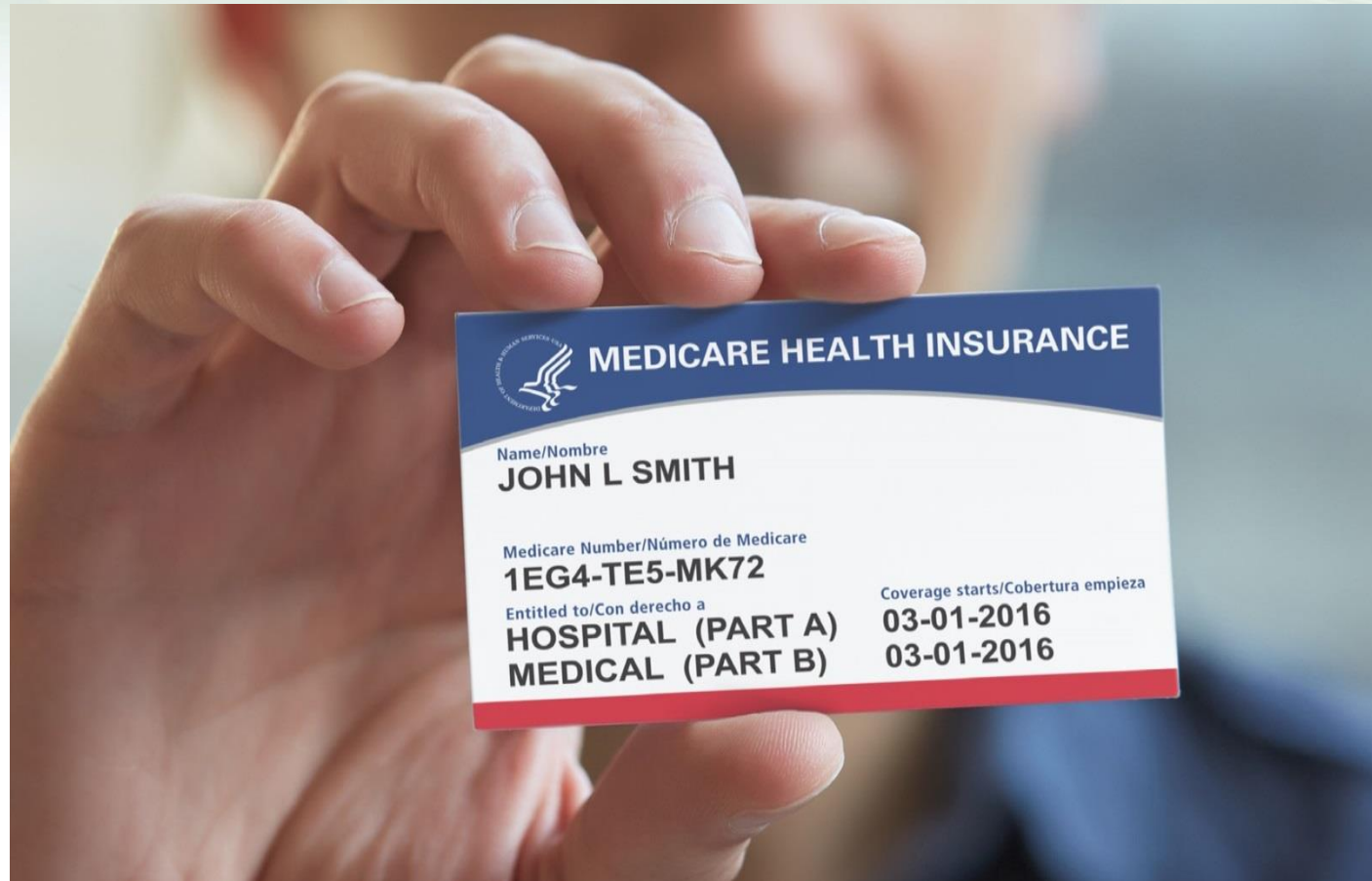


Part B
Part D

?

So Where Do We Start?

You will need one of these



Eligibility/Enrollment

- If you're new to Medicare
 - 65 and over
 - Under 65 and on SS Disability (24 months)
- If you were receiving Social Security payments already, **you are** automatically enrolled when you became eligible
 - If not, **you have to enroll through Social Security**
 - www.ssa.gov

Medicare Cost and Coverage



Medicare Costs for 2022 & 2023

- Part A premium
 - Free if you've worked 40+ quarters (10+ years) paying FICA taxes
 - 30-39 quarters \$274/month (\$278/month in 2023)
 - Less than 30 quarters \$499/month (\$506/month in 2023)
- Part A deductible
 - \$1,556 (\$1,600 in 2023) (per 60-day benefit period)

Part A Coverage

- Inpatient hospitalization (not Emergency Room)
- Skilled nursing facility (rehab)
- Hospice
- Home health

Medicare Costs for 2022 & 2023 (cont.)

- Part B premium \$170.10/month
(\$164.90/month in 2023)
 - More if in a higher income tax bracket
- Part B deductible
 - \$233 (\$226 in 2023) (annual)
- Approx. 20% of Medicare fee schedule after meeting the deductible

Part B Income-Related Monthly Adjusted Amount (IRMAA) for 2023

If your yearly income in 2021 (for what you pay in 2023) was			You pay each month (in 2023)
File individual tax return	File joint tax return	File married & separate tax return	
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$164.90
above \$97,000 up to \$123,000	above \$194,000 up to \$246,000	Not applicable	\$230.80
above \$123,000 up to \$153,000	above \$246,000 up to \$306,000	Not applicable	\$329.70
above \$153,000 up to \$183,000	above \$306,000 up to \$366,000	Not applicable	\$428.60
above \$183,000 and less than \$500,000	above \$366,000 and less than \$750,000	above \$97,000 and less than \$403,000	\$527.50
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$560.50

Part B Coverage

- Outpatient medical services, including emergency room
- Doctor visits
- Lab work, X-rays, etc.
- Durable medical equipment
- Preventive Services

Where do we go from here?



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Current Health Coverage

- Current Employer Health Coverage
 - You or your spouse
 - **Potentially** delay starting Medicare Part B
- Retiree Coverage through a previous employer
- TriCare/TriCare for Life
 - These options coordinate with Medicare to provide benefits
- How does this coverage work with Medicare?

Other Possible Coverage

- Indian Health Services (IHS)
- VA
- Marketplace
- Important Points To Consider
 - If you delay starting Part B because you have IHS, VA, or Marketplace coverage, you may pay a penalty
 - 10% for each 12-month period you delayed (example coming)
 - Can only enroll during the General Enrollment Period
 - January 1st through March 31st, Effective 1st of the following month
 - VA does not coordinate benefits with Medicare
 - Beneficiaries choose which to use each time they seek services

Medicare and the Marketplace

- Once eligible for Part A, you no longer qualify for tax credits through the Marketplace
- Can keep their Marketplace plan if you choose to, but will pay full price
- If you miss the Initial Enrollment Period, will also have Part B penalty
 - ❖ Exception: if you do not qualify for premium-free Part A, you can keep your marketplace tax credits

1st Decision

- Do you have current coverage through active employment?
 - Can delay enrolling in Part B
 - Can enroll in Part B at any time while they have employer coverage
 - Can enroll in Part B within 8 months from termination of employer coverage without penalty
 - “Active Employment”
 - Through you or your spouse
 - Does not include retiree or COBRA coverage

Why Delay Part B Enrollment if you have Employer Coverage?

- Saves the monthly premium (\$170.10) (164.90 in 2023) until employment ends
- Delaying Part B enrollment preserves Medigap Open Enrollment Period
 - Begins when you enroll in Part B and lasts for 6 months
 - “Guaranteed Issue rights”
 - » Cannot be denied or charged more

Part B Late Enrollment Penalty

- If not enrolled when eligible and don't have other "creditable coverage through active employment":
 - As good or better than what Medicare offers
 - Ask your employer
- Part B Penalty- 10% of the current Part B premium for every 12-month period you were not enrolled
 - Added to your monthly premium for as long as you have Part B

Example

- Mr. Smith delayed enrolling in Part B for two years without creditable coverage through active employment, and then decides to join.

10% of \$164.90 = \$16.49

\$17.01 x 2 years = \$32.98

\$164.90 + \$32.98 = \$197.88 per month

Do You Currently Have Creditable Prescription Drug Coverage?

- What counts?
 - Current Employer
 - You or your spouse
 - VA
 - IHS
 - COBRA in some cases
- When coverage ends, you have 63 days to enroll in Part D plan to avoid the Part D penalty

Part D Penalty

- Penalty is calculated by multiplying 1% of the national base beneficiary premium (\$32.74 for 2023) times the number of months you didn't have Part D or creditable coverage. This is rounded to the nearest \$.10.
 - Example: Mr. Smith did not enroll in a drug plan for 29 months, and then decided to enroll:
 - $.29$ (29% penalty) \times \$32.74 months = \$9.49
 - \$9.50 is added to monthly plan premium and a penalty is paid for as long as Mr. Smith is enrolled in Part D

Be Aware of Your Current Health and Drug Coverage!

- Retiree Plan
 - Enrollment in an additional health or drug plan could terminate ALL your retiree benefits!
 - Don't make any changes without talking to company representative/benefits administrator

Prescription Drug Coverage (cont)

- Indian Health Services is creditable, but:
 - IHS coverage may not cover all your prescription medications
 - IHS funds could run short each year
 - Part D plans save tribal funds for other purposes

Prescription Drug Coverage (cont)

- VA is considered creditable drug coverage:
 - Must use VA Pharmacies
- Medicaid
 - Once you qualify for Medicare, Medicaid will no longer pay for any prescriptions that can be covered by a Part D plan

If you need drug coverage, where do you start?

- 24 Part D Prescription Drug Plans offered in Oklahoma in 2023
- Plans vary
 - Monthly premium
 - Annual deductible
 - Prescription Copays/Coinsurance
 - Drug Formularies
 - Contracted Pharmacies

Enrolling in a Part D Drug Plan

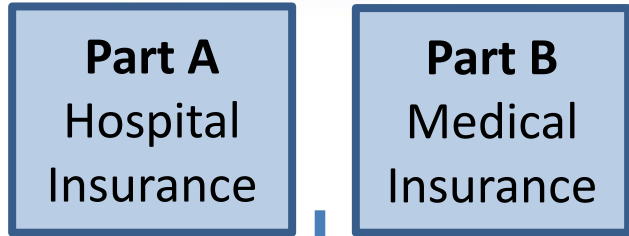
- Medicare Assistance Program
1-800-763-2828
- 1-800-Medicare
- Contact the individual Part D plan
- Licensed Insurance Agent

What if I Want Additional Medical Coverage?

- As an alternative to Medicare
 - VA
- To coordinate with Medicare
 - IHS
 - Retiree coverage
- For those who don't have retiree, IHS, or other coverage, there are options available that provide coverage in addition to your Medicare benefits

Two Ways to Receive Your Medicare

Original Medicare



You can add

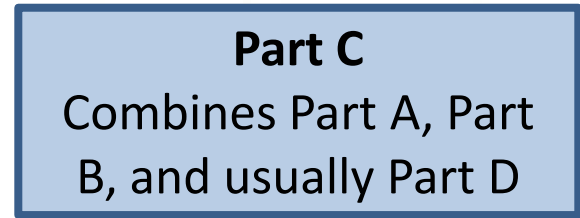


You can add



Medicare Advantage Plan

or



You may be able to add



Medicare Supplemental Insurance

- Also called Medigap
- First Medicare pays, then the Medigap pays
- 10 Standardized Plans
 - Each plan provides different available coverage
 - The benefits for each standardized plan are the same, regardless of the company you buy it from
 - Only the price is different!
- Medigap plans can be used anywhere that Medicare is accepted

MEDIGAP PLANS									MEDICARE FIRST ELIGIBLE BEFORE 2020 ONLY	
BENEFITS	A	B	D	G ¹	K	L	M	N	C	F ¹
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B Coinsurance or Copayment	✓	✓	✓	✓	50%	75%	✓	✓ copays apply ³	✓	✓
Blood (First 3 Pints)	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Part A Hospice Care Coinsurance or Copayment	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Skilled Nursing Facility Care Coinsurance			✓	✓	50%	75%	✓	✓	✓	✓
Medicare Part A Deductible		✓	✓	✓	50%	75%	50%	✓	✓	✓
Medicare Part B Deductible									✓	✓
Medicare Part B Excess Charges				✓						✓
Foreign Travel Emergency (Up to Plan Limits)			80%	80%			80%	80%	80%	80%
Out-of-pocket limit in [2022] ²					\$6,620 ²	\$3,310 ²				

¹ Plans F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,490 in 2022 before your policy pays anything. (Plans C and F won't be available to people who are newly eligible for Medicare on or after January 1, 2020.)

- Starting January 1, 2020, Medigap plans sold to people new to Medicare won't be allowed to cover the Part B deductible. Because of this, Plans C and F will no longer be available to people who are new to Medicare on or after January 1, 2020.
- If you already have either of these two plans (or the high deductible version of Plan F) or are covered by one of these plans prior to January 1, 2020, you'll be able to keep your plan. If you were eligible for Medicare before January 1, 2020 but not yet enrolled, you may be able to buy one of these plans.
- People new to Medicare are those who turn 65 on or after January 1, 2020, and those who get Medicare Part A (Hospital Insurance) on or after January 1, 2020

² For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$233 in 2022), the Medigap plan pays 100% of covered services for the rest of the calendar year.

³ Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.

Med Sups and Disability

- Laws vary from state to state
 - Oklahoma-Any company that offers Medicare supplement plans in the state of Oklahoma must offer at least one standardized option to individuals on Medicare due to disability during their open enrollment period
 - 1st six months following enrollment in Medicare Part B

Med Sups and Disability (cont)

- During that six-month open enrollment period
 - Cannot be charged more than the lowest aged rate for their Medigap plan
 - Still limited to one of the ten standardized plans
- Outside that open enrollment period:
 - Companies can charge higher rates
 - Companies do not have to sell them a plan

Medigap Changes

- For people who became Medicare eligible in 2020 or after:
 - Won't be able to purchase Plans C or F
 - Next most comprehensive Plans will be D and G
 - Plan G will be offered in a high deductible option
 - Could impact C and F premiums in the future

Medigap Resources

- Medicare Assistance Program
 - Medicare Supplement Buyers Guide
 - Comparisons of the plans available in Oklahoma
- Licensed Insurance Agents

Enrolling in Medigap

- Contact the Medigap company directly
- Contact a licensed insurance agent
- Plans can only be sold by licensed agents/carriers
- Call MAP with questions
 - But we can't enroll you

Part C- Medicare Advantage Plans

- Provides all Medicare-covered benefits
 - Sometimes offer additional benefits
 - Dental
 - Vision
 - Hearing
 - Premium payment (partial)
 - transportation
 - Most also include prescription drug coverage

Types of Medicare Advantage Plans

- Different options have different rules
 - Health Maintenance Organization (HMO)
 - Preferred Provider Organization (PPO)
 - Private Fee-for-Service Plan (PFFS)

HMOs

- Contracted provider network
 - Physicians
 - Hospitals
 - Ancillary providers
- Required to receive services within the contracted network
- If you go outside the network, you may have to pay 100% of the charges
- Frequently the cheapest MA option

Things to Consider with an HMO

- Are the doctors, hospitals, and other providers you want to use contracted with that specific HMO?
- Are you willing to follow the plan rules?
 - Primary care physician
 - Prior authorizations
 - Network providers
- Do you travel frequently outside of the plans service area?

PPOs

- Less restrictive than HMOs
 - Contracted network and service area
 - If you seek care outside the network, the plan will pay but considerably less (deductible plus % of allowable charges)
- Monthly premiums can be higher than HMOs

Things to Consider with a PPO

- Do they contract with the providers you primarily see?
- Are you comfortable paying the out-of-network charges (including the deductible) if necessary?
- Do you travel frequently outside the service area?

Private Fee For Service (PFFS) Plans

- More flexible than other options
- Beneficiaries can see any provider willing to accept their insurance
- Beneficiaries are responsible for assuring providers will accept their PFFS plan EACH time they use it.
 - Even if they previously accepted it
 - Can be complex if a procedure involves multiple providers

Things to Consider with a PFFS Plan

- Will the providers you currently see agree to accept the plan?
- What will your out-of-pocket costs be?
- Are you comfortable asking each provider about accepting the plan?
- PFFS plans, unlike other MA plans, will allow you to purchase a stand-alone Part D Rx plan

Before enrolling...

- Don't make a decision based on the "Extras"
 - Understand the medical benefits/ copays/ coinsurance
- Talk to your providers/hospitals to make sure they accept the plan
- Ask specific questions and get answers in writing

Enrolling in Medicare Advantage Plans

- Medicare Assistance Program can do comparisons, but...
- You must contact the company or a licensed agent to enroll
 - Or you can enroll yourself on Plan Finder

Medicare Part D Cost

- Premium varies by plan
- Deductible Maximum (2023)- \$505.00
- Plan copays and coinsurance until total spent on drugs reaches \$4,660
- Donut Hole (Coverage Gap)
 - Brand-Name Drugs- You pay 25%
 - Generics- You pay 25%

Part D Income-Related Monthly Adjusted Amount

If your filing status and yearly income in 2021 was			
File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2022)
\$97,000 or less	\$194,000 or less	\$97,000 or less	your plan premium
above \$97,000 up to \$123,000	above \$194,000 up to \$246,000	not applicable	\$12.20 + your plan premium
above \$123,000 up to \$153,000	above \$246,000 up to \$306,000	not applicable	\$31.50 + your plan premium
above \$153,000 up to \$183,000	above \$306,000 up to \$366,000	not applicable	\$50.70 + your plan premium
above \$183,000 and less than \$500,000	above \$366,000 and less than \$750,000	above \$97,000 and less than \$403,000	\$70.00 + your plan premium
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$76.40 + your plan premium

Senior Medicare Patrol

- Funded by a grant through the Administration for Community Living
- Focuses on educating seniors on how to protect themselves from becoming a victim of fraud, errors, and abuse
- Report potential fraud to the Office of the Inspector General
- Recruit volunteers to provide education and/or counseling in their home communities

Assistance is Available

DO YOU
HAVE TO **CHOOSE**

BETWEEN
THESE



AND THESE
EVERY MONTH?

*You may not have to make
that difficult decision.*

For Low-Income Beneficiaries

- Assistance programs are available
- Qualification based on income and resources
- May qualify for assistance with:
 - Prescriptions
 - Part B premiums
 - A and B copayments
 - or all of the above

Extra Help 2022

- Income
 - \$1,719/month or less- Single
 - \$2,309/month or less- Married
- Resources
 - \$15,510 or less- Single
 - \$30,950 or less- Married
- If you qualify, this pays for all or part of the monthly premium, and reduces prescription copays significantly
- Application through benefitscheckup.org
- Medicare Assistance Program can assist

What Are Medicare Savings Programs?

- Help with paying Medicare costs
 - Pay Medicare premiums
 - May pay Medicare deductibles and coinsurance
- Often higher income and resources amount than for Medicaid
- Income amounts change each year
- Contact your local DHS office to apply

Who Can Qualify for Medicare Savings Program?

Medicare Savings Program	Individual monthly income limit (2022)	Married couple monthly income limit (2022)	Helps pay your
Qualified Medicare Beneficiary	\$1153	\$1,546	Part A and Part B premiums, and other cost-sharing (like deductibles, coinsurance, and copayments)
Specified Low-Income Medicare Beneficiary	\$1,379	\$1,851	Part B premiums only
Qualified Individual	\$1,549	\$2,080	Part B premiums only

Web-based Tools

- MySocialSecurity.gov
 - Keep track of your earnings and verify them every year;
 - Get an estimate of your future benefits if you are still working;
 - Get a letter with proof of your benefits if you currently receive them; and
 - Much more!

Web-based Tools

- Medicare.gov
 - Find the facts about Medicare
 - Provides comparison tool for all available Part D and Part C plans
 - Set up a Medicare.gov account
 - Information on benefits
 - Updates and changes
 - Real-time claims processing information
 - Print Medicare card

Where to Find Help

- 1-800-Medicare
 - Specific claim information
- Medicare Assistance Program
 - Grant funded program to provide free, unbiased counseling to Medicare beneficiaries
 - Counselors trained to assist you in identifying your plan options

Other Resources

- Medicare and You Handbook
 - Lists all Plans available
 - Publishing begins in April, so data may not be 100% accurate
 - Part C & D Plan websites
 - Can provide you with accurate information about the plans/benefits they offer
 - Contact the Plan directly
 - Customer Service numbers listed in M & Y Handbook

Questions?