

# ROADMAP TO MEDICARE 2015

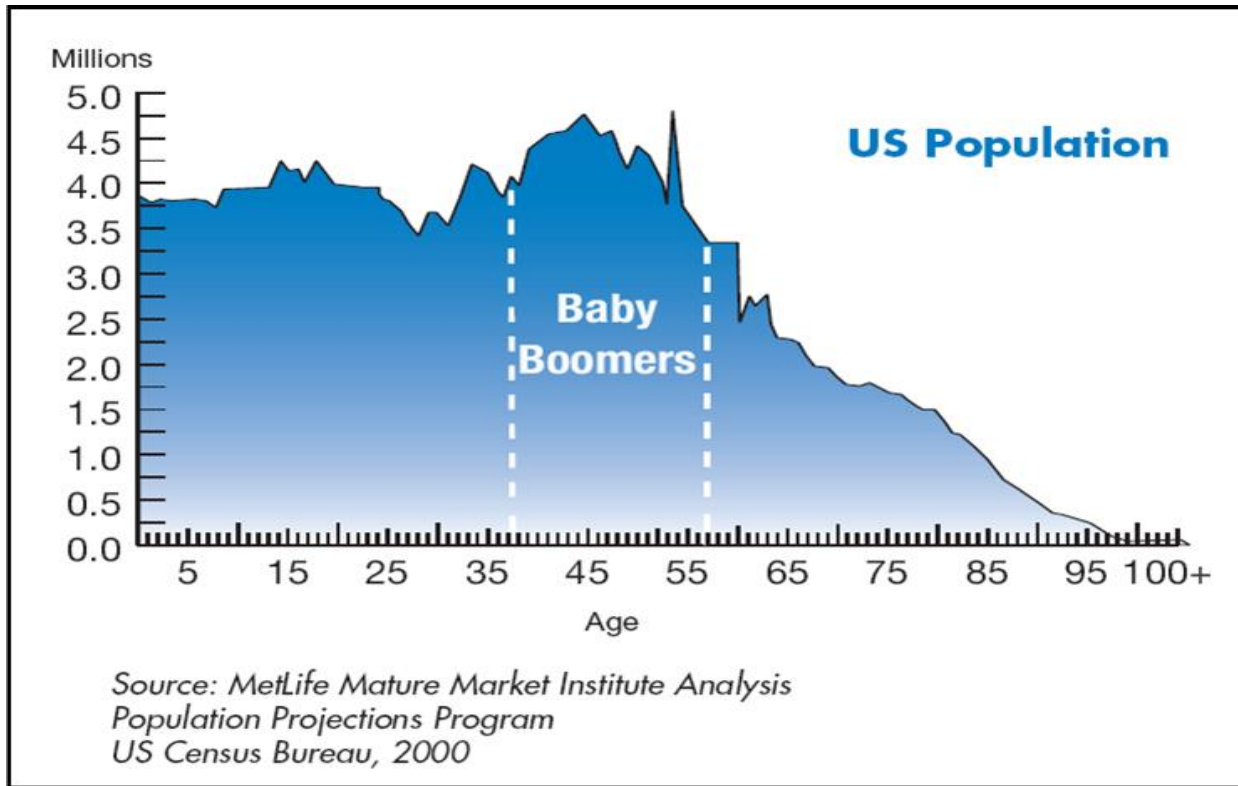
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## Presented by HICAP

Health Insurance Counseling & Advocacy Program

*HICAP is funded in part by a grant from California Department of Aging and Centers for Medicare & Medicaid Services*

# Silver Tsunami



# COUNCIL ON AGING ORANGE COUNTY

*Non Profit Serving  
Seniors 41 Years*

*Promoting the  
independence, health  
and dignity of adults  
through compassion,  
education and  
advocacy.*

*87% of every dollar  
goes directly to  
programs & services.*

# CORE PROGRAMS

Impact	Programs
<b>Advocacy and Protection</b>	<ul style="list-style-type: none"><li>• HICAP</li><li>• Ombudsman</li><li>• FAST</li></ul>
<b>Education and Outreach</b>	<ul style="list-style-type: none"><li>• Education</li><li>• Answers Guide</li><li>• SmileMakers</li></ul>
<b>Socialization</b>	<ul style="list-style-type: none"><li>• ReConnect</li><li>• Friendly Visitor</li></ul>

# History of Medicare

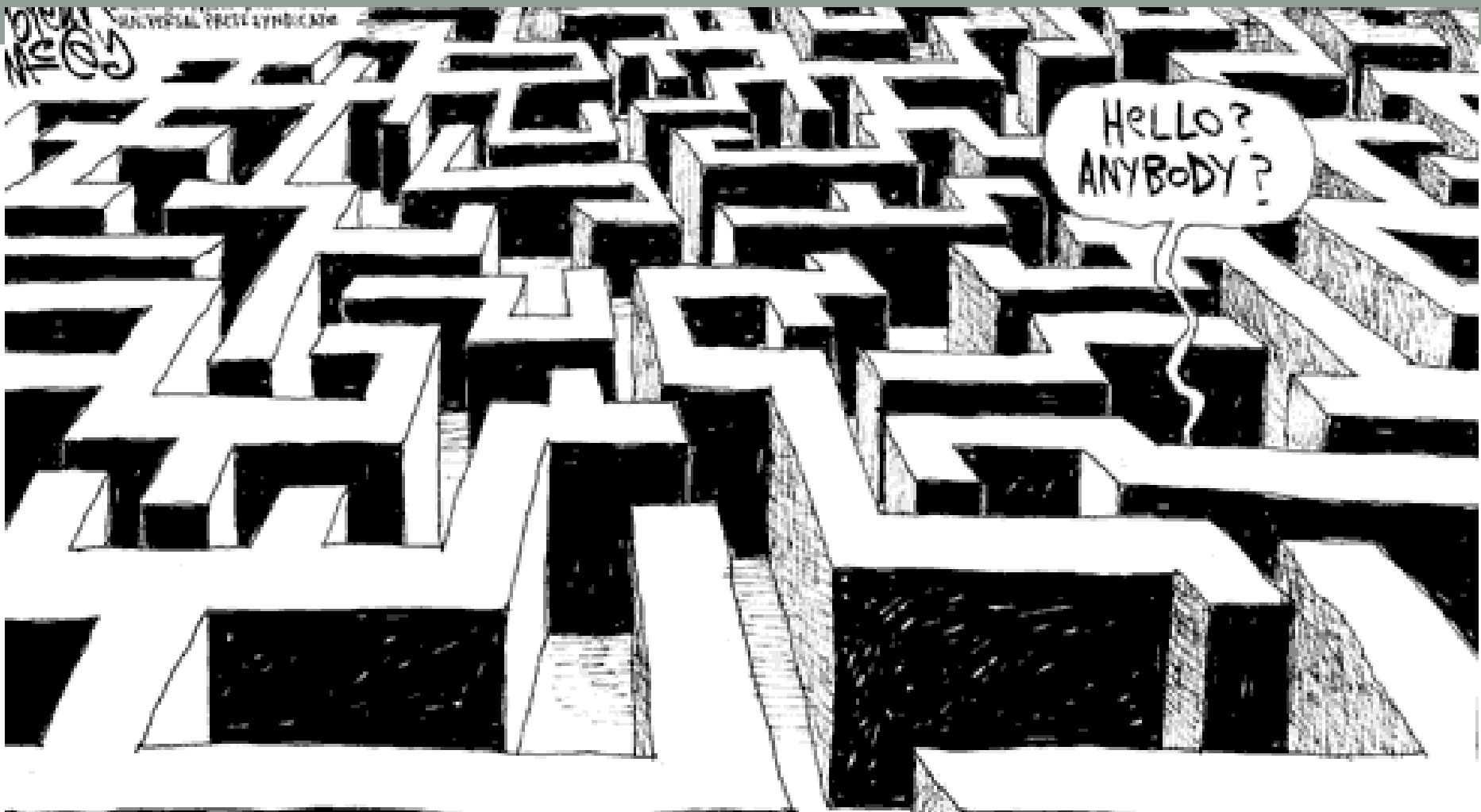
July 1965, President Johnson

- Medicare Title XVIII of the [Social Security Act](#) to provide health insurance to people age 65 and older, regardless of income or medical history.
- Many seniors had no health insurance.
- Unavailable or unaffordable because older adults paid 3 x's for health insurance as younger people.
- *In 1966, Medicare facilitated racial integration of waiting rooms, hospital floors, and physician practices by making payments to health care providers conditional on [desegregation](#).*



President Johnson signing the Medicare amendment. Former President [Harry S. Truman](#) (seated) and his wife, [Bess](#), are on the far right

UNIVERSAL UCCS SYNDICATE



HELLO?  
ANYBODY?

MEDICARE

SYSTEM

# What is Medicare?

Government health insurance for the following:

- People over 65 or older
- People under 65 with certain disabilities
- People of any age with End-Stage Renal Disease
- No income eligibility requirements
- 50M enrollees

# What is Medicare?

Established in 1965

Administered by the Centers for Medicare & Medicaid Services (CMS)

- Enrollment by:
  - Social Security (SSA) or
  - Railroad Retirement Board (RRB)
  - Must be U.S. citizen or Resident Visa in U.S. for 5 consecutive years



# The Four Parts of Medicare



**Part A  
Hospital  
Insurance**



**Part B  
Medical  
Insurance**



**Part C  
Medicare  
Advantage  
Plans (like  
HMOs/PPO  
s) Includes  
Part A, Part B  
and  
sometimes  
Part D**



**Part D  
Medicare  
Prescription  
Drug  
Coverage**

# What Does Medicare Cover?

## Medicare Part A (Hospital Insurance)

- In patient hospital
- Inpatient skilled nursing facility
- Home health care
- Hospice care

# What Does Medicare Cover?

## Medicare Part B (Medical Insurance)

- Doctor services
- Durable medical equipment
- Home health care
- X-rays, lab services
- Outpatient services
- Preventive services

# What Does Medicare Cover?

## Medicare Part C (Medicare Advantage)

- Combines Part A hospital insurance and Part B medical insurance providing all benefits through their providers at their facilities.
- Some Medicare Advantage programs also include Medicare Part D (Medicare Prescription Drug Coverage) and extra services not covered by Medicare

# What Does Medicare Cover?

- Medicare Part D (Medicare Prescription Drug Coverage)
  - Prescription drugs

# What Medicare Does Not Cover

- Routine dental care
- Routine vision care
- Routine hearing care or hearing aids
- Routine foot care
- **Custodial care at home or in nursing home**

# Medicare Enrollment

- Initial Enrollment Period (IEP)
  - Part A & B
  - Seven months to enroll
  - Three months before age 65, month of, and 3 months following
- Automatic for those receiving
  - Social Security benefits
  - Railroad Retirement Board benefits
- Premium penalty for late enrollment
  - 10% for as long as the person has Part B
- Enroll on line
  - [www.socialsecurity.gov](http://www.socialsecurity.gov) and click on “Apply for Benefits”.
- Enroll by phone or in person
  - 1-800-772-1213
  - Appointment with SSA

# Medicare Enrollment

If you or spouse is working and covered by employee or union benefits

- Contact benefits administrator – confirm how your coverage works with Medicare
- Enroll in Part A and delay Part B enrollment without penalty



# When Medicare Part A & B Becomes Effective

<b>If you enroll in this month of your initial enrollment period (IEP):</b>	<b>Part A &amp; B coverage starts:</b>
<b>One to three months before you reach age 65</b>	The month you reach age 65
<b>The month you reach age 65</b>	One month after the month you reach age 65
<b>One month after you reach age 65</b>	Two months after the month of enrollment
<b>Two or three months after you reach age 65</b>	Three months after the month of enrollment

# Medicare Enrollment

If you didn't sign up when first eligible

- General Enrollment Period (GEP)
  - Part A & B
  - January 1 through March 31
  - Coverage begins July 1
- Penalties apply

# Medicare Enrollment

If you didn't sign up for Part B when first eligible because you were covered under group health plan based on current employment (your own, a spouse's) you can sign up

- Special Enrollment Period (SEP)
  - 8 month period that begins employment ends or coverage ends
- Penalties do not apply
  - Learn more at; [Medicare.gov/publications](https://www.Medicare.gov/publications) “Enrolling in Medicare Part A & B”


# Medicare Card

- Keep it and accept Medicare Part A and Part B
- Return it to refuse Part B
  - Follow instructions on back of card

Front

<b>MEDICARE</b>			<b>HEALTH INSURANCE</b>	
<b>1-800-MEDICARE (1-800-633-4227)</b>				
NAME OF BENEFICIARY <b>JANE DOE</b>				
MEDICARE CLAIM NUMBER <b>000-00-0000-A</b>		SEX <b>FEMALE</b>		
IS ENTITLED TO <b>HOSPITAL MEDICAL</b>		(PART A) <b>(PART B)</b>	EFFECTIVE DATE <b>07-01-1986</b> <b>07-01-1986</b>	
SIGN HERE →		<i>Jane Doe</i>		

Back

<ol style="list-style-type: none"><li>1. Carry your card with you when you are away from home.</li><li>2. Let your hospital or doctor see your card when you require hospital, medical, or health services under Medicare.</li><li>3. Your card is good wherever you live in the United States.</li></ol> <p><small>WARNING: Issued only for use of the named beneficiary. Intentional misuse of this card is unlawful and will make the offender liable to penalty. If found, drop in nearest U.S. Mail box.</small></p>  <p>Centers for Medicare &amp; Medicaid Services Baltimore, MD 21244-1850 Form CMS-1968 (01/2002)</p>	<p>I DO NOT WANT MEDICAL INSURANCE <input type="checkbox"/> Check Here</p> <table border="1"><tr><td>Written Signature (or Legal Representative)</td></tr><tr><td>SIGN HERE</td></tr><tr><td>Signature by Mark (X) Must Be Witnessed</td></tr><tr><td>Signature of Witness</td></tr><tr><td>Address of Witness</td></tr></table>	Written Signature (or Legal Representative)	SIGN HERE	Signature by Mark (X) Must Be Witnessed	Signature of Witness	Address of Witness
Written Signature (or Legal Representative)						
SIGN HERE						
Signature by Mark (X) Must Be Witnessed						
Signature of Witness						
Address of Witness						
<p>If you DO NOT want Medical Insurance</p> <ol style="list-style-type: none"><li>1. Check the box above (top right), sign your name, and return the entire form in the enclosed envelope. Do NOT tear off the Medicare card. It would be improper to use it since you do not want Medical Insurance. You must return the form BEFORE the Medical Insurance effective date shown on the card.</li><li>2. Since you are entitled to Hospital Insurance even though you do not want Medical Insurance, we will send you a new card showing that you have Hospital Insurance only.</li></ol>						

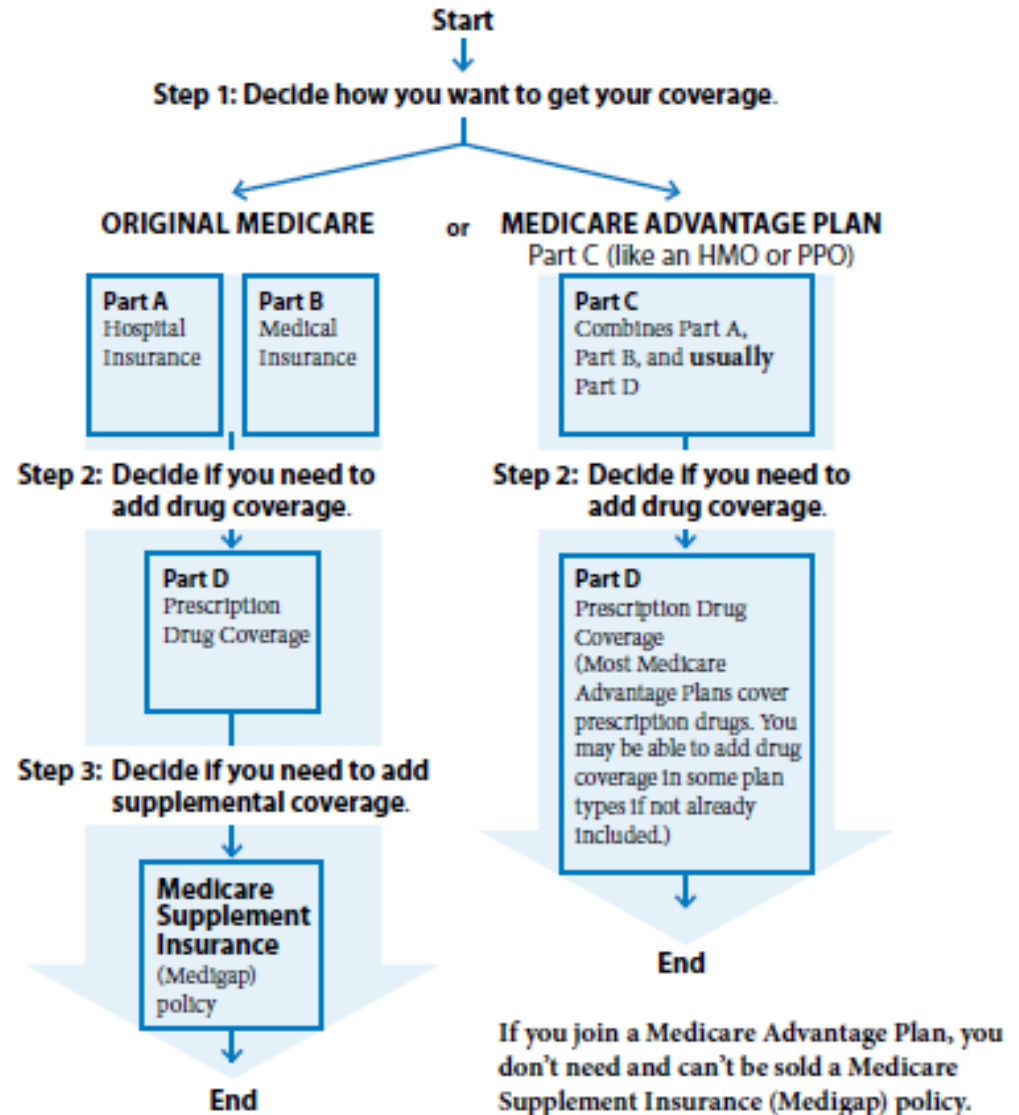
# Medicare Choices

1. Original Medicare      80/20
2. Medicare Supplement Plans (Medigap)
3. Medicare Prescription Drug Plans      (PDP)
4. Medicare Advantage Plans (MA)
5. Retiree and Other Coverage

# Decide how you wish to take your Medicare

## Your Medicare Coverage Choices at a Glance

There are two main ways to get your Medicare coverage: Original Medicare or a Medicare Advantage Plan. Use these steps to help you decide which way to get your coverage.



# Original Medicare Premiums, Coinsurance & Deductibles

- Medicare Part A (Hospital Insurance)
  - \$0 monthly premium with
  - 40 Social Security quarters
  - Up to \$407/month with fewer than 40 quarters
  - \$1,260 deductible for hospital stays up to 60 days
- Medicare Part B (Medical Insurance)
  - \$104.90 monthly premium
  - \$147.00 annual deductible
  - 20% coinsurance for most part B services

# Original Medicare Premiums, Coinsurance & Deductibles

## Medicare Part D (Prescription Drug Plans)

- \$33.00/mth premium (Est)
- Introduced January 1, 2006
- Provided through
  - Medicare Prescription Drug Plans (PDP)
  - Medicare Advantage Plans
  - Some employers and unions
- 31 PDP's in Southern California 2014
- 5 Benchmark Plans
- Caution
  - Not required for those in a Medicare Advantage plan



# Part B Medicare Income Based Premiums 2015

<b>Beneficiaries who file an individual tax return with income:</b>	<b>Beneficiaries who file a joint tax return with income:</b>	<b>Total Monthly Premium Amount:</b>
Less than or equal to \$85,000	Less than or equal to \$170,000	<b>\$104.90</b>
\$85,001 - \$107,000	\$170,001 - \$214,000	<b>\$146.90</b>
\$107,001 - \$160,000	\$214,001 - \$320,000	<b>\$209.80</b>
\$160,001 - \$214,000	\$320,001 - \$428,000	<b>\$272.70</b>
Above \$214,000	Above \$428,000	<b>\$335.70</b>

\*Sliding scale based on MAGI (Modified Adjusted Gross Income) is your adjusted gross income and tax-exempt interest income.

# IRMAA Adjustment Form

Social Security Administration

Form Approved  
OMB No. 0960-0784

## Medicare Income-Related Monthly Adjustment Amount - Life-Changing Event

If you had a major life-changing event and your income has gone down, you may use this form to request a reduction in your income-related monthly adjustment amount. See page 5 for detailed information and line-by-line instructions. If you prefer to schedule an interview with your local Social Security office, call 1-800-772-1213 (TTY 1-800-325-0778).

Name	Social Security Number

You may use this form if you received a notice that your monthly Medicare Part B (medical insurance) or prescription drug coverage premiums include an income-related monthly adjustment amount (IRMAA) and you experienced a life-changing event that may reduce your IRMAA. To decide your IRMAA, we asked the Internal Revenue Service (IRS) about your adjusted gross income plus certain tax-exempt income which we call "modified adjusted gross income" or MAGI from the Federal income tax return you filed for tax year 2012. If that was not available, we asked for your tax return information for 2011. We took this information and used the table below to decide your income-related monthly adjustment amount.

The table below shows the income-related monthly adjustment amounts for Medicare premiums based on your tax filing status and income. If your MAGI was lower than \$85,000.01 (or lower than \$170,000.01 if you filed your taxes with the filing status of married, filing jointly) in your most recent filed tax return, you do not have to pay any income-related monthly adjustment amount. If you do not have to pay an income-related monthly adjustment amount, you should not fill out this form even if you experienced a life-changing event.

<i>If you filed your taxes as:</i>	<i>And your MAGI was:</i>	<i>Your Part B monthly adjustment is:</i>	<i>Your prescription drug coverage monthly adjustment is:</i>
-Single, -Head of household, -Qualifying widow(er) with dependent child, or -Married filing separately (and you did not live with your spouse in tax year)*	\$ 85,000.01 - \$107,000.00	\$ 42.00	\$ 12.10
	\$107,000.01 - \$160,000.00	\$ 104.90	\$ 31.10
	\$160,000.01 - \$214,000.00	\$ 167.80	\$ 50.20
	More than \$214,000	\$ 230.80	\$ 69.30

# Medicare Premiums

## Original Medicare

- Part A – Premium Free
- Part B – \$104.90 & Up
- GAP Premium – Est. \$150
- Part D – Est. \$33

## Medicare Advantage

- Part A – Premium Free
- Part B – \$104.90 & Up
- Plan Premium - \$0 & Up
- Part D - Included

# Supplementing Original Medicare

Supplemental insurance (Medigap) covers Original Medicare's copayments and deductibles

Medicare approved services only

- During IEP:
  - **Guaranteed issue – no pre-existing conditions**
  - 6 months to buy Medigap policy at the lowest price for your age
  - No underwriting required
  - Go to any doctor or specialist

# Supplementing Original Medicare

Guaranteed renewable – cannot be canceled due to health conditions

- Can be canceled due to non-payment of premium
  - 10 standardized Medigap plans
  - Premiums vary by company, plan, location
  - Benefits the same regardless of company selling the plan
    - A,B,C,D,F,G,K,L,M and N
      - E,H,I and J eliminated in 2010
  - California birthday rule
  - Cannot move up in coverage
- Continue to pay Medicare premiums

# Decision: Do I need a Medigap policy?

Maybe

## Consider

- It only works with Original Medicare
- Do you have other supplemental coverage?
  - If so, you might not need Medigap
- Can you afford Medicare deductibles and copayments?
- What does the monthly Medigap premium cost?

# Changing Medigap Plans

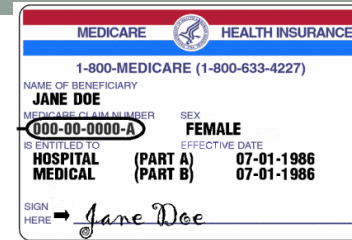
This rule requires you must:

- 1) Live in California
- 2) Have an active Medigap plan
- 3) Switch to a plan with same or lesser benefits
- 4) Be within 30 days of your birthday



**30 Days of  
Birthday**

# MA Landscape for Orange County 2015



- 37 Medicare Advantage Plans
  - 33 MA-PD premiums = \$0-\$176.00/mth
  - 3 PPO's premiums = \$108.00-\$139:00/mth
    - \*Aetna Medicare Choice
    - \*Aetna Medicare Select Plus
    - \*Anthem Medicare Preferred Standard
  - 1 MA Only without PDP premium = \$0
- Continue to pay Medicare Premiums
  - 21 Special Needs Plans (SNP)
- Regional breakdown Medicare Advantage Plans
  - 46% Orange County
  - 27% Nationally
- MOOP





# Medicare Part C (Medicare Advantage)

## Run by private companies

- Medicare pays a set amount to plan for your care
  - Use plan network only
  - All Part A and Part B covered services
  - Most plans include Part D (Rx Drug) coverage
- Some Extra Benefits
  - Vision, hearing, dental services
  - You are still in the Medicare program
  - You still have all Medicare rights and protections
  - You still get all regular Medicare-covered services

# Medicare Part C (Medicare Advantage)

## Initial 12 month trial period

- Return to Original Medicare and still qualify for a supplemental insurance plan (MediGap) with **Guaranteed issue**
- After 12 months if you return to Original Medicare you **no longer get** a **Guaranteed issue**
- Annual Disenrollment January 1 – February 14
  - Can leave MA plan and switch to Original Medicare
- Special Enrollment
  - 5 Star Plans – Anytime
  - Following Certain “Trigger Events”

# Part D \*IRMAA for Higher Income Part D Enrollees – 2015

Income bracket (single)	Income bracket (file jointly)	IRMAA
≤\$85,000	≤\$170,000	n/a
>\$85,000 but ≤\$107,000	>\$170,000 but ≤\$214,000	+\$12.30
>\$107,000 but ≤\$160,000	>\$214,000 but ≤\$320,000	+\$31.80
>\$160,000 but ≤\$214,000	>\$320,000 but ≤\$428,000	+\$51.30
>\$214,000	>\$428,000	+\$70.80

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	More than \$214,000	\$ 230.80	\$ 69.30

# Medicare Part D (Prescription Drug Plans) PDP

- Optional
- Consider joining even if you don't take prescription drugs
- If you don't join when first eligible and you don't have:
  - Creditable prescription drug coverage
  - Extra help
- Subject to a late enrollment penalty

*\*Lifetime Premium Penalty for Late Enrollment  
= 1% of Avg. Nat'l Monthly Premium x Mos. Late + Part D Plan Premium*

# Medicare Part D (Prescription Drug Plan) PDP

Enroll when first eligible for Medicare

- Not automatically enrolled if on Social Security
- Join, switch or drop Prescription Drug Plan (PDP)
- Annual Enrollment Period October 15 – December 7
  - New Policy takes effect January 1
- HICAP offers over 60 enrollment clinics
  - Special Enrollment Involuntary Loss/Reduction of Coverage
  - 5 Star Plans Anytime (Medicare Advantage Only)

# Medicare Part D (Prescription Drug Plan)

## Costs vary by plan

- Premium \$33.00 (Est)
- Deductible \$320 (Year)
- Enter the initial coverage phase
  - You pay copayment or coinsurance
  - Your plan pays it's share for covered drugs
- Once you and your PDP have spent \$2,960
  - You enter the gap or donut hole
  - 100% of the cost

# Gap in Coverage (Prescription Drug Plan)

## Discounts 2015

Brand 55% discount

- You pay 45%

Generic 35% discount

- You pay 65%

Total out of pocket spend is \$4,700 leave the gap, donut hole

Includes copayment, coinsurance deductible.

Catastrophic coverage

On Extra help MSP gap, donut hole doesn't apply



**In the  
Donut Hole  
Discounts  
Apply**



# Retiree Plans

Benefits and costs vary widely

Retiree plans differ from employer group health plans (EGHPs)

Can change each year

- Generally three types of retiree plans:
  - Fee for service
  - Non Medicare Managed Care plans
  - Medicare Advantage plans

# Retiree Plans

## Meet with benefits administration

- Prescription drug coverage is often included
- Once on Medicare it is your primary coverage
- Your retiree benefits pay after Medicare pays
- Coordinate with Medicare – retiree plans aren't Medigap plans
- Some plans cover what Medicare does not
  - Vision, dental, hearing

## California Health Advocates

- [www.cahealthadvocates.org](http://www.cahealthadvocates.org)
- Medicare topics
  - Other health Insurance

# Affordable Care Act People With Medicare

- Medicare benefits aren't changing
- Marketplace does not affect your Medicare coverage
- Medicare is not part of the Marketplace
- Additional benefits
  - Free Annual Wellness Visit
    - Prevention Plan
  - More Help with Prescription Drugs
    - Coverage Gap closed 2020

# Affordable Care Act People With Medicare

- Free Annual Wellness Visit
  - Prevention Plan
- More Help with Prescription Drugs
  - Coverage Gap closed 2020
- Medicare Advantage Plans
  - MOOP maximum
- Other
  - Efficiencies
  - Coordination of benefits
  - Fraud

# Medicare Fraud and Abuse

## Intentional Deception or Misrepresentation Resulting in Unauthorized Benefit

- Don't Become a Victim
  - Review Medicare Summary Notices (MSNs)
  - Check with Providers on Billing Discrepancies
  - Don't Give Out Your Medicare number
  - Medicare will never call you.....
- Report
  - HICAP at **1-800-434-0222**

# Help for People with Limited Income and Resources

- Medicaid/Medi-Cal
- Medicare Savings Programs
- Extra Help

Apply at HICAP 1 (714) 560.0424

[www.socialsecurity.gov](http://www.socialsecurity.gov), or state Medical Assistance office



# HICAP Benefit Enrollment Centers

Community based on site facilities

HICAP counselors assist with the application process

Centers designed to help low income seniors enroll

- Benefits
  - Medicare Part D Extra help
  - Medicare Savings Programs
  - Cal/Fresh Food Stamps
  - Medi-Cal for those on Medicare
  - Utilities Assistance Program
  - Other

Applicant	Monthly Income Limit
• Single	\$1,580
• Married	\$2,133

# Help with open enrollment

## Open Enrollment 2015

- Oct 15 to Dec 7
- Join, switch or drop plans

## 35 Senior Centers 2014

- Assisted 832 seniors
- Saved over \$1.4M

[www.coaoc.org](http://www.coaoc.org)

The screenshot shows the Medicare.gov website interface. At the top, there are navigation links for 'Español', 'About Us', 'FAQ', 'Glossary', 'CMS.Gov', and 'MyMedicare.gov Login'. The main header features the 'Medicare.gov' logo and a search bar. Below the header is a row of navigation buttons: 'Sign Up / Change Plans', 'Your Medicare Costs', 'What Medicare Covers', 'Drug Coverage (Part D)', 'Supplements & Other Insurance', 'Claims & Appeals', 'Manage Your Health', and 'Forms, Help, & Resources'. A secondary row of links includes 'Learn More About Plans', 'Help', 'A-Z Glossary', and 'FAQ'. The main content area is titled 'Medicare Plan Finder' and contains a text box explaining the enrollment period (January 1-February 14) and the option to switch from a Medicare Advantage Plan to Original Medicare. Below this, there are two search options: 'General Search' and 'Personalized Search'. The 'General Search' section includes a 'ZIP Code' input field and a 'Find Plans' button. The 'Personalized Search' section includes a brief description and a small image of a woman. On the right side of the page, there is a 'Plan Finder Multimedia' section with a video player showing a 'Step by step overview on how to complete a plan search' and a 'View more videos' link. At the bottom right, there is an 'Additional Tools' section with links for 'Find and compare Medigap policies', 'Search by plan name and/or ID', and 'Enroll now'.



# For More Information

- **Council on Aging-Orange County**

Health Insurance Counseling and Advocacy Program (HICAP)

1-714-560-0424

[www.coaoc.org](http://www.coaoc.org)

- **Medicare**

1-800-MEDICARE

[www.medicare.gov](http://www.medicare.gov)

[www.healthcare.gov](http://www.healthcare.gov)

- **Social Security Admin.**

1-800-772-1213

[www.ssa.gov](http://www.ssa.gov)

- **Covered California**

1-800-300-1506

[www.coveredca.com](http://www.coveredca.com)

- **Veterans or TRICARE for life**

Veterans Services Office to Check Eligibility

1 (714) 567-7450

[www.veterans.ocgov.com](http://www.veterans.ocgov.com)



HICAP is Here to Help  
**800-434-0222**

**COUNCIL**  
**ON**  
**AGING**  
ORANGE COUNTY



We Understand ■ We Care ■ We Help

Contact Information  
1971 E. 4<sup>th</sup> Street, Suite 200  
Santa Ana, CA  
[www.coaoc.org](http://www.coaoc.org)

**714-479-0107**