# Medicare 2010

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Health Insurance Counseling & Advocacy Program

hilable at Saddleback

Funded in part by a grant from the California Department of Aging



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## HICAP

#### Counsel

- Unbiased Information
- ► Medicare
- ► HMO's
- Supplemental Insurance
- ► Long Term Care Insurance
- Advocate
  - Appeals and Denials
  - ► Legal Assistance
- Educate
  - Community Education



## What is Medicare in 2010?

- Government Health Insurance Program
  - ► Age 65 or older
  - Disabled
  - ► No income eligibility requirements
- Covers most medical services
  - ► Can be supplemented by private companies
  - Does not cover most long term care

Medi-Cal pays for healthcare for certain California residents. Income and asset restriction apply.

## **Eligibility for Medicare**

- U.S. Citizen or Resident Visa in U.S. for 5 consecutive years and
- ► Age 65 and over *or*
- Getting disability benefits for at least 24 months or
- Have kidney failure, endstate renal disease (ESRD) or
- Approved for social security disability with a diagnosis of ALS (Lou Gehrig's disease)

# Enrolling in Original Medicare

- Four different ways of enrolling
- Automatic enrollment
- Initial enrollment
- Special enrollment
- General enrollment

## Automatic Enrollment

- Already getting social security retirement benefits or
- Getting disability benefits 24/months
- If not, contact social security about 3 months prior to 65<sup>th</sup> birthday

**Initial Enrollment** 

►7 month period

▶ 3 months before birthday month

Birthday month

▶ 3 months after birthday month

► To ensure coverage at 65

Enroll 1-3 months before birthday month

#### **Special Enrollment**

- Covered under employer group health plan
  - Own or spouse's current employment
  - Special rules apply (HICAP for Details)
- Enroll when you retire or lose your health coverage
  - Special 8 month enrollment period
    - ► Enroll early to avoid gaps in coverage
    - ► Only 63 days to enroll in Part D drug coverage

#### **General Enrollment**

Another chance each year to enroll

If miss initial or special periods

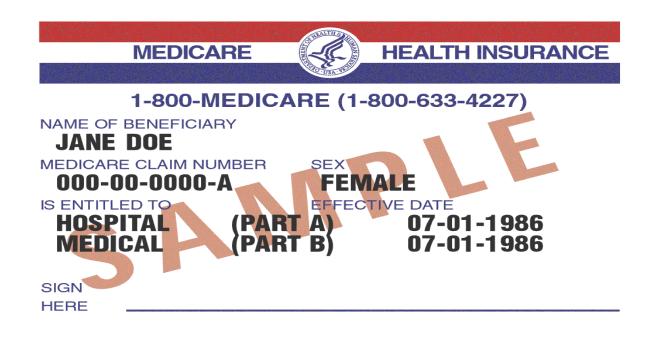
January 1 through March 31

Coverage starts July 1

10% Part B premium penalty due to delayed enrollment



#### Your Medicare Card This is what it looks like



#### Medicare Has Four Parts

Part A- Hospital Insurance Inpatient hospital or skilled nursing facility Part B- Medical Insurance Doctors services Other medical services & supplies Part C-Medicare Advantage Include Parts A & B (Some have Part D) Part D-Prescription Drug Coverage

#### What Does Medicare Cover?

#### Part A

Inpatient hospital Inpatient skilled nursing facility Home health care Hospice care Part B

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

Part D Rx Medications

#### Medicare Does Not Cover

- Annual physical exam
  - Except one time "welcome" physical
- Routine dental care
- Routine vision care
- Routine hearing care
- Custodial care at home or in a nursing home

#### **Medicare Fraud and Abuse**

- Intentional deception or misrepresentation resulting in unauthorized benefit
- Don't be a victim
  - Medicare fraud and abuse is real
  - ► Review Medicare summary notices (MSNs) for accuracy
  - Check with your trusted providers concerning biling discrepancies
  - Don't give out your Medicare, social security or credit card numbers over the phone
- ► How to report
  - ► Call HICAP for assistance at 1-800-434-0222

#### What are Costs?

- Part A: \$0 monthly with 40 social security quarters
  - ▶ Up to \$443/month with fewer that 40 quarters
  - ► Hospital deductible of \$1,100
  - ► No coinsurance for days 1-60
  - ▶ \$275/day for days 61-90
  - ▶ \$550/day for days 91-150
- Part B: \$155 deductible per year +\$110.50 monthly premium
  - ► Hold harmless provision=Part B: \$96.40 per month
  - Medicare pays 80% of Medicare approved amount for doctor's services
  - ► You pay coinsurance of 20%

#### Part B Income Based Premiums

Beneficiaries who file an individual tax return with income	Beneficiaries who file a joint tax return with income	Income related monthly adjustment amount	Total monthly premium amount	
Less than or equal to \$85,000	Less than or equal to \$170,000	\$0.00	\$0.00	
\$85,000-\$107,000	\$170.001-\$214,000	\$44.20	\$154.70	
\$170,001-\$160,000	\$214,001-\$320,000	\$110.50	\$221.00	
\$160,001-\$214,000	\$320,001-\$429,000	\$176.80	\$297.30	
Above \$214,000	Above \$428,000	\$243.10	\$353.60	

#### What Can Doctors Charge?

(Under Original Medicare)

Use doctors who "take assignment"

- Accept Medicare's approved amount as full payment
  - ► Medicare pays 80% of this amount
- ► Many doctors "take assignment"
- Doctors who don't "take assignment"
  - Can charge up to 15% above Medicare's approved amount
- Doctors who "opt out" of Medicare
  - ► No limit on charges

#### Cost Example

Case: Doctor bill \$150.00. Medicare approves \$100, Medicare pays \$80.00.

# Doctors Takes Assignment Beneficiary pays: \$20.00 Doctor Doesn't Take Assignment Beneficiary pays \$20.00 Plus 15% above Medicare-approved amount: \$15.00 Total payment \$35.00 Doctor "Opts Out" of Medicare Beneficiary pays: \$150.00



#### **Coverage Options**

- ► May Assign benefit to Medicare Advantage Plan
- May buy supplemental insurance
- Medicare prescription drug coverage (Part D)
  - ► Help for limited income



#### Medicare Advantage Plans

- Landscape for Orange County in 2010
- ► 3 Regional Preferred Provider Organization (RPPO)s
  - Offered by Anthem Blue Cross
  - ► Freedom Blue Classic, No Rx coverage
  - ► Freedom Blue Plus
- 29 Health Maintenance Organizations (HMOs)
- ► 6 Private Fee for Service (PFFS)
  - ► Ask about Rx coverage
- 15 Special Needs Plans (SNPs)

#### Cost of Medicare Advantage HMO

► Part B Premium: \$110.00

► Hold harmless provision \$96.40/month

- Out of network care: full cost (except emergency)
- Co-Payment: \$0-\$35.00 per doctor visit
- May have additional premiums, deductibles and co-payments

#### Medicare Advantage Enrollment Periods

- Must have Part A and Part B
- Initial enrollment
  - 7 month period- 3months prior to birthday month, birthday month, 3 months after
- Annual election
  - November 15 December 31
- Open enrollment
  - ► January 1 March 31
  - One change allowed special rules apply

#### Supplemental Insurance (Medigap)

- Covers Medicare co-payments & deductibles
- Pays costs after Medicare pays
- Medicare approved services only
- 12 standardized plans
- Guaranteed issue periods
  - ► Six month period following Part B enrollment
  - ▶ 12 month during Medicare Advantage "trial period"
  - Special enrollment: 63 days following involuntary loss of coverage

# Stand Alone Prescription Drug Plans (PDPs)

- ► 45 PDP's statewide
- ▶ 6 benchmark plans priced at \$28.99
- ▶ 8 plans in CA offer some gap coverage
  - Mostly generics
- Proceed with caution
  - If you already have a Medicare Advantage PDP you do not need an additional plan.

#### Part D Medicare Rx 2010 Standard Benefit Design

Average Monthly Premium (CA)	\$29	
Approved plans must meet/exceed following		
Deductible	\$310	
Initial coverage: After deductible - 25% of Drug costs up to \$2,830	\$630	
Coverage gap: 100% of next \$3610 drug cost	\$3610	
Out of pocket threshold	\$4550	
Catastrophic coverage	5% of costs over \$4550	
Benefits subject to annual changes		

#### Part D Enrollment Periods

- Initial enrollment
  - 7 month period- 3months prior to birthday month, birthday month, 3 months after
- Annual election
  - November 15 December 31
- Special enrollment
  - Involuntary loss/reduction of coverage
  - Enter long term stay facility
  - Errors in notice
- Note: Lifetime premium penalty for late enrollment (1% of ave. National monthly premium x months late) + plan premium

#### Part D Transition Coverage

- All Medicare Part D enrollees entitled to transition coverage
- Transition coverage details
  - 30 day supply in first 90 days of membership
  - Covers medications not on plans formulary
  - Does not have to be at beginning of year
  - Applies to continuing members when plan changes formulary
  - Does not apply to excluded medications
- Plan will send explanation of the transition coverage and options
- Other rules apply to long term care facilities

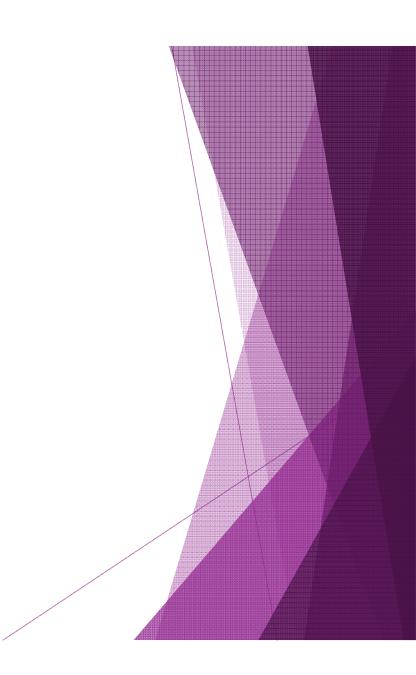
# Extra Help with Part D for People NOT on Medi-Cal

- ► Eligibility
- ► Have Medicare Part A and/or Part B
- Monthly income less than
  - ► Single \$1353
  - ► Married \$1,821
- Savings less than
  - ► Single \$12,510
  - ► Married \$25,010

#### Extra Help Benefits

- ► \$3,900 per year average savings
- Low or no premium
- Low or no deductible
- No coveage gag ("donut hole")
- Discounted 2010 co-pays

Generic	Brand name
\$1.10	\$3.30
\$2.50	\$6.30
15%	15%



#### Support

- Council on Aging- Orange County is a private, not profit corporation
- Federal, state and community funding
- Partnerships with Council on Aging-Orange Conty is one of the best ways to provide lasting support for older adults in the community
- ► HICAP: 1800-434-0222 or 714-560-0424 www.coaoc.org
- Social Security Administration 1800-772-1213 www.socialsecurity.gov
- Medicare 1800-MEDICARE (1800-633-4227) www.medicare.gov
- Medicare & You 2009 Handbook.