

Medicare 2010

Assistant Professor Cindy Gross

Professor Margaret Huang- Saddleback College

Presented by HICAP

Health Insurance Counseling & Advocacy Program

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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 65th birthday

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

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 billing 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 than 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 (RPRO)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 coverage gag (“donut hole”)
- ▶ Discounted 2010 co-pays

▶ <u>Generic</u>	<u>Brand name</u>
\$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 County 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.