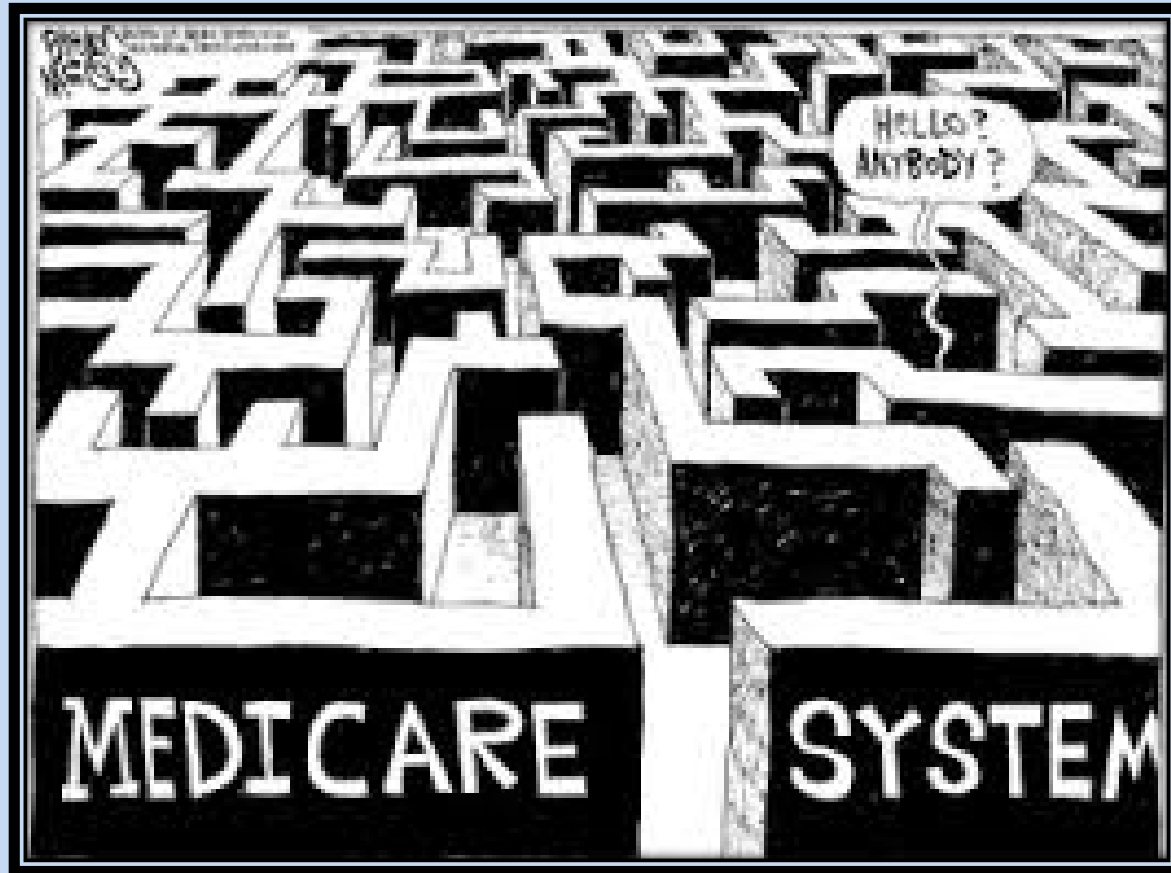


Medicare 101 2018

Presented by:
Sheila Hartman



DO YOU FEEL LIKE THIS REGARDING MEDICARE ?



**HOW DO I START? WHAT DO I NEED TO DO?
WHAT'S WITH ALL THIS JUNK MAIL?**



WHAT EXACTLY IS MEDICARE?

- **Health insurance for people**

- 65 and older
- Under 65 with certain disabilities
 - Receiving Social Security Disability for 24 months
- Any age with End-Stage Renal Disease or Amyotrophic Lateral Sclerosis (ALS)

- Administered by

- Centers for Medicare & Medicaid Services

NOTE: To get Part A and/or Part B, you must be a U.S. citizen or legal resident in the United States for 5 consecutive years.

WHAT ARE THE 4 PARTS OF MEDICARE?

Medicare

PART
A



PART
B



PART
C



PART
D



WHAT ARE MY MEDICARE COVERAGE CHOICES

Original Medicare

or

Medicare Advantage Plan

Part A
Hospital
Insurance

Part B
Medical
Insurance

Part C
Combines Part A and
Part B

You can add

**(Medigap)
Medicare
Supplement
Insurance
Policy**

Part D
Prescription
Drug Coverage

May include, or you may be able to add

Part D
Prescription Drug Coverage
(Most Part C plans cover
prescription drugs. You may be
able to add drug coverage to
some plan types if *not* already
included.)

WHAT OPTIONS DO SENIORS HAVE AS THEY ARE TURNING 65 +?

- Stay on Group Plan
- Retiree Plans
- COBRA (Limited)
- Individual Medicare Plans
 - Medicare Supplement with Stand-alone Part D Plan
 - Medicare Advantage (HMO-PPO)
 - Medicare Part A and B with Stand-alone Part D Plan

WHEN CAN SOMEONE TURNING 65 ENROLL IN MEDICARE?

For those just turning 65:

- 3 months before, the month of, and 3 months after your 65th birthday



- **Special Enrollment Period (SEP)** if you are in a Employer Group Health Plan and are over 65
 - Must have employer group health plan (EGHP) coverage based on active, current employment of you or your spouse
- **Can enroll**
 - Anytime still covered by Employer Group Health Plan (EGHP) or
 - Within 8 months of the loss of coverage or current employment, whichever happens first

WHAT IS THE FIRST THING I NEED TO DO?

Order your Medicare Card

- **Apply at least 3 months prior to turning 65**
- Apply directly through your local Social Security Office
(Having an appointment is best)
- Apply on line at www.ssa.gov
- Apply by phone with the Social Security Office at 800.772.1213

Note: It takes up to 30 business for your new Medicare card to reach your home.

IS MEDICARE FREE?

Whether you choose Original Medicare or another Medicare option, you may pay a portion of the cost through.

- Premiums
- Deductibles
 - Co-pays
- Co-insurance

WHAT IS THE COST OF EACH PART OF MEDICARE?

Part A: You usually don't pay a monthly premium for Part A coverage. You or your spouse paid Medicare taxes while working (premium-free Part A.) If you are NOT eligible for premium-free Part A, you may be able to buy Part A coverage. In most cases if you choose to buy Part A, you must also have Part B and pay monthly premiums for both.

Part B: The standard Part B cost is based on your income, however if your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you may pay an Income Related Monthly Adjustment Amount.

Part C: The monthly premium varies by plan.

Part D: The monthly premium varies by plan. If your income is above a certain limit, you'll pay an income-based monthly adjustment amount in addition to your plan's premium.

To get the most up to date cost information, visit [Medicare.gov](https://www.Medicare.gov) or call 800.MEDICARE. TTY users should call 877.486.2048

Monthly Part B Standard Premium Income-Related Medicare Adjustment Amount for 2017

If your yearly income *in 2015* (for what you pay in 2017) was:

File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	In 2017 You Pay
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$134.00
\$85,000.01– \$107,000	\$170,000.01–\$214,000	Not applicable	\$187.50
\$107,000.01–\$160,000	\$214,000.01–\$320,000	Not applicable	\$267.90
\$160,000.01–\$214,000	\$320,000.01–\$428,000	Above \$85,00 and up to \$129,000	\$348.30
Above \$214,000	Above \$428,000	Above \$129,000	\$428.00

WHAT DO YOU PAY FOR INPATIENT HOSPITAL STAYS?

For Each Benefit Period in 2016	You Pay
Days 1-60	\$1,316 deductible
Days 61-90	\$329 per day
Days 91-150	\$658 per day (60 lifetime reserve days)
All days after 150	All Costs

WHAT ARE THE MEDICARE PART B COST FOR MOST PEOPLE?

Yearly Deductible

- \$183.00

Coinsurance for Part B Services

- 20% coinsurance for most covered services, like doctor's services and some preventive services, if provider accepts assignment
- \$0 for some preventive services
- 20% coinsurance for outpatient mental health services, and copayments for hospital outpatient services

WHAT TYPES OF PLANS ARE AVAILABLE TO CHOOSE FROM?

Some of your options in addition to original Medicare include:

- Medigap plans or Supplement Plans Plus Part D
- Medicare Advantage Plans:
 1. HMO (Health Maintenance Organization)
 2. PPO (Preferred Provider Organization)
 3. SNP (Special Needs Plan)
 4. Employer or Union Group Waiver Plans

WHAT IF I DON'T LIKE THE PLAN I CHOOSE?

- **Medigap or Supplement Plans:** You can change plans without medical questions on your birthday. You have 30 days before and 30 days after your birthday to change.
- **Advantage Plans:** You can change plans from October 15th to December 7th or during the Medicare Advantage Disenrollment Period (MADP) from January 1st to February 14th

WHO CAN JOIN A MEDICARE ADVANTAGE PLAN?

■ Eligibility requirements

- Enrolled in Medicare Part A (Hospital Insurance)
- Enrolled in Medicare Part B (Medical Insurance)
- Live in the plan's service area
- Cannot have ESRD (End Stage Renal Disease)

WHEN CAN YOU JOIN OR SWITCH MEDICARE ADVANTAGE PLANS?

- **Initial Enrollment Period**
- 7-month period begins 3 months before the month you turn 65
- Includes the month you turn 65
- Ends 3 months after the month you turn 65
- **Medicare Open Enrollment Period “Open Enrollment”**
- October 15–December 7
- Coverage begins January 1
- **Medicare due to a Disability**
- 7-month period begins 3 months before the 25th month of disability.
- Ends 3 months after the 25th month of disability.

WHEN CAN YOU JOIN OR SWITCH MEDICARE ADVANTAGE PLANS?

- **Special Enrollment Periods (SEP)**
- Move out of your plan's service area
- Plan leaves Medicare program or reduces its service area
- Leaving or losing employer or union coverage
- You enter, live at, or leave a long-term care facility
- You have a continuous SEP if you qualify for Medi-Cal
- You have a continuous SEP if you qualify for Extra Help
- Other exceptional circumstances

WHEN CAN YOU LEAVE A MEDICARE ADVANTAGE PLAN?

January 1 – February 14

- You can leave a Medicare Advantage (MA) Plan
- Switch to Original Medicare
- Coverage begins first day of month after switch
- May join Part D Plan
- Drug coverage begins first day of month after plan gets enrollment
- May not join another MA Plan during this period
- May be able to buy a Medigap (Medicare Supplement Insurance) policy

WHAT ARE THE MEDICARE PART D PAYMENT

STAGES IN 2017

Ms. Smith joins a prescription drug plan. Her coverage begins on January 1, 2017. She doesn't get Extra Help and uses her Medicare drug plan membership card when she buys prescriptions. She pays a monthly premium throughout the year.

1. Yearly deductible	2. Copayment or coinsurance (what you pay at the pharmacy)	3. Coverage gap	4. Catastrophic coverage
Ms. Smith pays the first \$400 of her drug costs before her plan starts to pay its share.	Ms. Smith pays a copayment, and her plan pays its share for each covered drug until their combined amount (plus the deductible) reaches \$3,700.	Once Ms. Smith and her plan have spent \$3,700 for covered drugs, she's in the coverage gap. In 2017, she pays 40% of the plan's cost for her covered brand-name prescription drugs and 51% of the plan's cost for covered generic drugs. What she pays (and the discount paid by the drug company) counts as out-of-pocket spending, and helps her get out of the coverage gap.	Once Ms. Smith has spent \$4,950 out of pocket for the year, her coverage gap ends. Now she only pays a small coinsurance (5%) or copayment (Generics=\$3.30, Brand and others =\$8.25) for each covered drug until the end of the year.

HOW DO PLANS MANAGE ACCESS TO DRUGS

Prior Authorization

- Doctor must contact plan for prior approval and show medical necessity for drug before drug will be covered

Step Therapy

- Must first try similar, less expensive drug
- Doctor may request an exception if
 - Similar, less expensive drug didn't work, or
 - Step therapy drug is medically necessary

Quantity Limits

- Plan may limit drug quantities over a period of time for safety and/or cost
- Doctor may request an exception if additional amount is medically necessary

WHAT IS A FORMULARY DRUG?

- A list of prescription drugs covered by the plan
- May have tiers that cost different amounts

Tier Structure Example

Tier	You Pay	Prescription Drugs Covered
1	Lowest Co-pay	Preferred Generics
2	Slightly Higher Co-Pay	Non-Preferred Generics
3	Medium Co-Pay	Preferred Brands
4	Large Co-Pay	Non-Preferred Brands
5	Highest Co-Insurance	Unique, very high cost
6 (Varies by plan)	No Co-pay or Small Co-pay	Select Care Drugs

WHAT IS EXTRA HELP?

- Program to help people pay for Medicare prescription drug costs (Part D)
 - Also called the low-income subsidy
- If you have lowest income and resources
 - Pay no premiums or deductible, and small or no copayments
- If you have slightly higher income and resources
 - Pay reduced deductible and a little more out of pocket
- No coverage gap or late enrollment penalty if you qualify for Extra Help

WHAT'S NOT COVERED BY ORIGINAL MEDICARE PART A AND B?

Some of the items and services that Medicare doesn't cover include:

- Deductibles
- Co-insurance
- Co-payments
- Most dental care
- Eye examinations related to prescribing glasses
- Dentures
- Cosmetic Surgery
- Acupuncture
- Fitting and exams for hearing aids
- Long-term care.

HERE IS WHAT YOU SHOULD KNOW ABOUT FINANCIAL INDEPENDENCE COMPANY:

- We have 30 + years of experience in the industry.
- Our goal is to deliver the right health care, in the right setting, at the right cost.
- Our passion is to provide the best solution to our clients to protect their health and life style.
- Our heart is what makes us special. We care about “every one” and treat each person with respect and dignity, while always doing the right thing.



QUESTIONS?

