

Medicare 101 (2024)

Federal health insurance program administered by the Centers for Medicare and Medicaid Services (CMS) for those who are:

- 65 and older
- Any age & on Social Security Disability payments for 24 months
- Diagnosed with End Stage Renal Disease (ESRD) or ALS (Lou Gehrig's Disease)

Medicare

- Insurance program
- Serves mostly people over 65 regardless of income
- Participants pay part of costs
- Federal program—same across the US
- Enrollment through the Social Security office and specific information on www.socialsecurity.gov

Versus

Medicaid

- Assistance program
- Serves low-income people of any age
- Participants in the past have paid no part of costs in KY
- Federal/State program—services vary from state to state

Applying for Medicare

- **Apply** with Social Security during a 7 month Initial Enrollment Period (IEP): which is the 3 months before you turn age 65, the month you are 65, and the 3 months after you turn 65. *Everyone on Medicare received a new card with a unique number—not their Social Security number in 2018.*
- **Medicare Will Enroll You Automatically If:**
 - You have been receiving Social Security Disability Benefits for 24 consecutive months before reaching age 65.
 - You have been collecting early Social Security retirement payments (Medicare is not available for early retirees until they reach age 65).
- **If you do not sign up for Medicare (either Parts A or B)** because you are covered under a group health plan based on your or your spouse's current employment: You have an 8-month period that begins the month after the employment ends or the group health plan coverage ends (whichever happens first) to sign up without having to pay a penalty. Check with your current health plan to determine your options.

Medicare Part A Covers:

- Hospital Care
 - After initial deductible of \$1632, pays 100% for next 60 days of care
 - After 60 days out of the hospital, deductible is due again if admitted to the hospital
 - Pays the hospital a set amount for a diagnosis regardless of the time there
- Limited number of days in post-hospital skilled nursing home care (also called sub-acute or rehab care)
- Skilled home health care services
- Hospice care (terminal diagnosis of 6 months or less)

No monthly premium—coverage is automatic for most if eligible for and enrolled in Medicare

Medicare Part B Covers:

- Doctor's bills
- Some outpatient treatments
- Some skilled home health care (100% instead of 80%)
- Durable medical equipment
- Some rehabilitative therapies
- Some laboratory procedures (100% instead of 80%)
- Some mental health services (80%)
- Some preventative care
- Voluntary to join, monthly premium is taken from Social Security check
- If choose not to join, pay a penalty if choose to join later unless have existing "creditable" coverage (penalty is 10% for every 12 month period of delay)
- If choose not to join, must wait until an open enrollment period to join (January 1-March 31 with coverage beginning July 1).
- Premium is \$174.70 a month for most enrollees (may be higher if income is greater than \$85,000).
- Pays 80% of bills after yearly \$240 deductible

What Medicare Does Not Cover:

- Most dental care, eye care, and hearing aids
- Intermediate and protective level of care in nursing homes and home care
- Care in assisted living facilities & adult day health services
- Homemaker, chore and meal services in the home
- Non- traditional therapies (except some chiropractic)
- Transportation services outside emergencies

Preventive Services & Screenings

- ❖ One-time "Welcome to Medicare" exam
- ❖ Yearly physical
- ❖ Abdominal aortic aneurysm screening
- ❖ Bone mass screening
- ❖ Cardiovascular disease screening & counseling
- ❖ Colorectal cancer screening
- ❖ Diabetes screening & supplies
- ❖ Pneumonia vaccines
- ❖ EKG Tests
- ❖ Flu Shots
- ❖ Glaucoma tests
- ❖ Hepatitis B shots
- ❖ Mammograms
- ❖ Pap test
- ❖ Prostate screenings
- ❖ Smoking cessation & counseling
- ❖ Depression screening
- ❖ Obesity screening & counseling
- ❖ Alcohol misuse screening & counseling
- ❖ HIV & sexually transmitted diseases screening counseling
- ❖ Shingles vaccine-under Part D

Supplemental Medicare Insurance

- ❖ Sometimes called Medigap or Medsup
- ❖ Regulated and standardized
- ❖ Choice of 8 policy types: A,B,D,G,K,L,M,N
- ❖ Coverage is the same in each type
- ❖ Medicare beneficiary should only have one.
- ❖ Initial 6 month open enrollment after age 65 and enrolled in Part B—after that period, the plans can turn down people for any reason or choose not to cover pre-existing health conditions.
- ❖ Once a person is enrolled, cannot be canceled involuntarily no matter how sick or expensive they are to the plan.
- ❖ Very different from long-term care insurance

Medicare Advantage Plans (Part C)

- ❖ Expanded and better benefits than in the past.
- ❖ Many offer set co-pays and deductibles as well as some expanded coverage (eyes, teeth, gym memberships).
- ❖ Usually includes prescription coverage. No need for an extra Part D Plan.
- ❖ Most cover a specific geographic area, i.e., county.
- ❖ Must go to plans' providers to receive coverage outside of emergency care.
- ❖ No need for Medsup policy; however, if a person drops their policy to enroll in a Medicare Advantage Plan, he/she may pick it back up—ONCE—if they later drop the Medicare Advantage Plan.
- ❖ Open Enrollment Period for Advantage Plans is extended to January 1-March 31, 2024. After that, a person must keep a plan until the next open enrollment period (Oct. 15-Dec. 7) unless a person moves or is involuntarily dropped.

Medicare Prescription Drug Coverage (Part D)

- ❖ Available for all people with Medicare
- ❖ Covers outpatient medication both name brand and generic.
- ❖ Have both statewide or national plans
- ❖ Every Medicare beneficiary should enroll in one unless he/she already has coverage through an employer or retiree plan.
- ❖ There is a penalty for not enrolling which is 1% of the premium for each month you delay.
- ❖ Need to check your plan each fall in the Open Enrollment Period (October 15-Dec.7) and decide to stay in your plan or change plans.

Medicare's Standard Drug Plan—2024 Components

- ❖ All plans have a different cost structure including premiums
- ❖ Monthly premium (average of about \$35 per month, can vary by plan)
- ❖ A deductible from \$0-\$480
- ❖ After meeting the deductible, you pay 25% of name brand prescriptions and your plan pays 75%
- ❖ Catastrophic coverage pays 95% when your total drug costs reach \$10,690.20
- ❖ **Note:** Out of pocket expenses do not include monthly premium or other coverage you may have.

What Drugs Does a Part D Plan Help to Cover?

- ❖ A Plan's list of covered drugs (called a formulary) is different for each plan
- ❖ Plans place their drugs into different "tiers" on their formularies
- ❖ Drugs in each tier have a different cost
- ❖ Plans may require: prior authorization, quantity limits or step therapy
- ❖ If you or your doctor believe that one of these coverage rules should be waived, you can ask for an exception

Medicare Part D Extra Help for People with Limited Income & Resources

- ❖ You may qualify for a Limited Income Subsidy (LIS) from Medicare which gives you extra help to pay prescription drug costs if your yearly income & resources are below the following limits for 2022:
- ❖ Income:
 - Below 150% of Federal Poverty Level:
 - \$1,903 a month for an individual
 - \$2,575 a month for a married couple
 - Varies based on family size
- ❖ Resources
 - Up to \$17,220 for an individual
 - Up to \$34,360 for a married couple
 - Includes \$1,500 a person funeral or burial costs
 - Counts savings and stocks but does not count cash value of life insurance
 - Does not count home you live in

Medicare Savings Programs:

What Are They?

- ❖ Qualified Medicare Beneficiary (QMB) pays Part B premiums, deductibles and any co-insurance
- ❖ Specified Low Income Medicare Beneficiary (SLMB) pays Part B premiums
- ❖ Qualified Individual (QI) pays Part B premiums
- ❖ All of these qualify a person for extra help with prescription drug coverage (Part D)
- ❖ Apply for these with Kentucky Department of Community Based Services (DCBS)

Protect Yourself from

Unscrupulous Sales

Practices

- ❖ The following sales tactics are prohibited:
- ❖ Door to door sales
- ❖ Giving out cash or gifts exceeding \$15
- ❖ Misrepresenting a plan or giving incomplete information
- ❖ A company representing themselves as Medicare

Important Mailings in 2024: Pay Attention

August-December 2024

- Re-determination by Social Security for extra help
- Auto plan assignment by Centers for Medicare & Medicaid
- Plan drops out notice sent
- Plan premium goes above benchmark (about \$35 a month in 2022)
- State records no longer show deemed eligible—CMS will notify
- ANOC—Annual Notice Of Change from your current plan
- Letter from existing health plan about future coverage

Medicare: Where to Find Information or Get Assistance

- ❖ Medicare: 800-Medicare, www.medicare.gov
- ❖ Social Security Administration: 800-772-1213, www.ssa.gov