Navigating Medicare

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The Birth of Medicare

- Medicare was passed into law on July 30, 1965
- Federal Health Insurance Program for 3 groups of people
  1. Individuals over age 65
  2. Individuals under age 65 with certain disabilities
  3. Individuals of all ages diagnosed with End-stage Renal Disease
- Medicare has 4 parts:
  1. Part A
     - Hospital Insurance
  2. Part B
     - Medical Insurance
  3. Part C
     - Medicare Advantage
  4. Part D
     - Prescription Insurance
Original Medicare - Part A

- No monthly premium for Part A if worked at least 40 Medicare approved quarters (equals 10 years). Under 40 quarters can be up to $411/month

- What does Medicare Part A cover?
  * Medically Necessary...
    - Inpatient hospital care
    - Skilled nursing facilities
    - Hospice

- How are these services covered?
  - Inpatient – You pay an $1288 deductible (per benefit period) for first 60 days, $322/day for 61-90, and $644/day for day 91 and beyond
  - Skilled nursing – You pay nothing for days 1-20, $161/day for 21-100, Days 101 and beyond – all costs
  - These holes in coverage are referred to as “GAPS”
Part B has a monthly premium of $121.80/month (Can be adjusted based on income – Max. $389.80)

What does Medicare Part B cover?

Medically Necessary...
- Outpatient care (diagnostic test, laboratory services, chemotherapy)
- Doctors’ services
- Physical/Occupational therapy
- Preventive Care

How are these services covered?
- You pay $166 calendar year deductible
- You pay 20% of Medicare-approved amount for medically necessary services
- Excess charges over the Medicare-approved amount if your doctor does not accept assignment
- Part B also has holes in coverage referred to as “GAPS"
Medicare Roadmap

**Part A**
Inpatient Hospital Insurance

**Part B**
Doctor/Outpatient Insurance

**Original Medicare**
- Must be enrolled in A/B
- Mandated benefits – all carrier plans are the same
- Higher premium / less costs out of wallet at time of service
- No Rx Included (Part D)
- Use any doctor/facility that accepts Original Medicare
- Can be guaranteed issued

**Part C** (Advantage)
- Must be enrolled in A/B
- Low premium / Copays at time of service
- Most include Part D at no extra premium
- Networks (HMO/PPO)
- Annual enrollment period (AEP)
  - October 15 – December 7

**Part D**
- Must have creditable coverage at age 65 – late enrollment penalty otherwise
- Creditable coverage can be through group plan, VA or other Medicare plan
- Offered through private health companies: national avg. cost $34.10/mo.
- Annual enrollment period (AEP)
  - October 15 – December 7
Medigap/Supplement Plans

- In order to be eligible for a Medicare supplement plan, you must be enrolled in Part A and Part B

- Ten mandated benefit plans A - N (vary by price and service)

- HIGHER premium plans, with LOWER costs at time of service for hospital and medical services

- No prescription benefit, so one must enroll in a Part D plan

- No networks (Doctor/facility have to accept Original Medicare only)

- No enrollment periods - can switch plan anytime

- One time enrollment without asking medical questions (e.g. guaranteed within first 6 months of Part B effective date)
Medicare Advantage “Part C”

- In order to be eligible for a Medicare Advantage plan, you must be enrolled in Part A and Part B

- Plan offered through private health insurance companies

- LOWER premium plans with HIGHER costs at time of service for hospital and medical services (copays and coinsurance)

- Often includes Medicare Part D benefit

- Provider networks (HMO/PPO)

- Replaces Original Medicare – only show one card for hospital, doctor and prescription

- Annual open enrollment (AEP) – October 15 through December 7
## Medicare Part D Standard Benefits

<table>
<thead>
<tr>
<th>Deductible (excluded on some plans)</th>
<th>2016</th>
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<tbody>
<tr>
<td>$360 (calendar year)</td>
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**Initial Coverage Period**

After deductible is met beneficiary pays coinsurance (or copayments) and the Plan pays its share until the combined yearly drug costs (including the $360 deductible) reaches $3,310.

**Coverage Gap “Donut Hole”**

Once beneficiary & the plan together meet $3,310: 
- **Beneficiary pays**
  - 45% of cost on most brand &
  - 57% of cost on generic

Until **total yearly out of pocket** paid by beneficiary reaches $4,850.

**Total Out-of-Pocket Threshold**

$4,850

**Catastrophic Coverage**

Beneficiary pays 5% coinsurance (or copayment) for the remainder of calendar year.
Medicare Part D Enrollment Penalty

- All Medicare eligible's must have creditable drug coverage. If one does not have creditable drug coverage, a late penalty will be enforced (2016 Part D penalty is 1% for each month not enrolled in credible prescription coverage based on national average premium of $34.10 per month).

- How to avoid the late enrollment penalty:
  - Join a Medicare drug plan when you are first eligible
  - Don’t go more than 63 days in a row without Part D or other creditable coverage
  - When joining a plan, and it is believed you went longer than 63 days without creditable coverage, you will be sent a letter by the plan asking about prior prescription coverage. Complete the form or provide a letter from your employer stating you had creditable coverage to avoid the penalty. If not, you may receive the penalty.

- What is creditable coverage? Prescription drug coverage that is expected to pay as good as or better than Medicare’s standard prescription drug coverage (e.g. employer/union coverage or VA drug coverage).
Traditional Medicare Preventive Benefits

- “Welcome to Medicare” Preventive Visit
- Yearly “Wellness” Visit
- Mammogram
- Colorectal Cancer Screenings
- Diabetes Screenings
- Flu Shot
- Glaucoma Tests
- Prostate Cancer Screening
- Pneumococcal Shot
Medicare Resources

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**Toll free:** 1-800-544-8306

**Medicare**
1-800-MEDICARE
www.medicare.gov

**State Insurance Department**
Ohio - 1-800-686-1526
Kentucky – 1-502-564-3630
Indiana – 1-800-622-4461

**SS Administration**
1-866-593-1519 Cincinnati
1-866-504-4224 Florence
1-800-772-1213 National
1-800-318-8782 TTY