



MEDICARE GUIDE

Legal Definition of Medicare:

“MEDICARE IS HEALTH INSURANCE FOR PEOPLE AGE 65 OR OLDER, UNDER AGE 65 WITH CERTAIN DISABILITIES, AND ANY AGE WITH END-STAGE RENAL DISEASE**”

*(permanent kidney failure requiring dialysis or a kidney transplant)

Five important facts about Medicare:

1. Some people get Medicare automatically, and some have to sign up. You may have to sign up if you're 65 (or almost 65) and not getting Social Security.
2. There are certain times of the year when you can sign up or change how you get your coverage.
3. If you sign up for Medicare Part B when you're first eligible, you can avoid a penalty.
4. You can choose how you get your Medicare coverage.
5. You may be able to get help with your Medicare costs.

MEDICARE PART A

This is Hospital Insurance

There is **no premium** for Medicare Part A coverage provided:

- You are 65 or older
- You worked and paid Medicare taxes for 10 years or 40 quarters
- OR
- You are receiving retirement benefits from Social Security or the Railroad Retirement Board.

There is a \$1,364 deductible for hospital admission (up to 6 times per year)

The 60-day benefit pays for:

- Inpatient hospital stays
- Some costs of skilled nursing
- Hospice
- Home health care

It DOES NOT cover:

- Long-term care
- Outpatient services

MEDICARE PART B

This is Medical Insurance

There is a **\$135.50 monthly premium** for Medicare Part B coverage unless you qualify for a Medicare Savings program due to low income.

You must have Medicare Part B coverage before you can enroll in a Medigap or Medicare Advantage program.

Medicare Part B pays 80% of costs for:

- Medically necessary services
- Doctors, MRIs, heart scans
- Outpatient care and preventative services
- Durable medical equipment (DME)

YOU pay the remaining 20%

What is durable medical equipment (DME)?

- Arm, leg, back, and knee braces
- Catheters
- Ostomy supplies
- CPAP supplies
- Diabetic supplies
- Wheelchairs and walkers

In order to get Medicare Part B assistance you MUST:

- Be enrolled in Medicare Part A and B
- Be prescribed treatment or equipment by a Medicare approved doctor
- Have a Medicare approved provider

MEDICARE SUPPLEMENT (MEDIGAP) POLICIES

This is supplemental coverage for Medicare Parts A and B DON'T cover

- You MUST have Medicare Parts A and B to qualify
- Works only with Original Medicare (your red, white, and blue card)
- Enroll at the right time to get **guaranteed issue**
- Does not include Medicare Part D (prescription drug plan), however, you may enroll in a Medicare Prescription Drug Plan to avoid Part D penalties
- The cost goes up each year

The best time to buy a Medigap policy is during **Open Enrollment**

- 6-month window opens automatically
- Begins the month you turn 65, as long as you are enrolled in Medicare Part B
- During this period you can buy any policy at the same price as it would be sold to someone in good health
- Depending upon your health, you may not be able to get this coverage after open enrollment, and if you can, it will likely cost more

What is covered by each Medigap plan

✓ = Plan covers 100%

✗ = Plan doesn't cover

% = Amount the plan covers

Medigap plans

Benefits	A	B	C	D	F	G	K	L	M	N
Part A coinsurance & <u>hospital costs</u>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B copays/coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Blood (first 3 pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A hospice	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled nursing facility	✗	✗	✓	✓	✓	✓	50%	75%	✓	✓
Part A deductible	✗	✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B deductible	✗	✗	✓	✗	✓	✗	✗	✗	✗	✗
Part B <u>excess charges</u>	✗	✗	✗	✗	✓	✓	✗	✗	✗	✗
Foreign travel emergency	✗	✗	80%	80%	80%	80%	✗	✗	80%	80%
							\$5,880	\$2,940		

Out-of-pocket
limit in 2020

Notes:

- Plan F & Plan G also offer a high deductible plan in some states.
- Plan K & Plan L show how much they'll pay for approved services before you meet your out-of-pocket yearly limit and Part B deductible. After you meet these amounts, the plan will pay 100% of your costs for approved services.
- Plan N pays 100% of the costs of Part B services, except for copays for some office visits and some emergency room visits.

If you live in Massachusetts, Minnesota, or Wisconsin, your state offers different standardized plans.

MEDICARE PART C (MEDICARE ADVANTAGE PLANS)

This is PRIVATE supplemental insurance

4 types of plans:

- HMO – Health Maintenance Organization
- PPO – Preferred Provider Organization
- PFFS – Private Fee-For-Service
- SNP – Special Needs Plan

Advantage plans are paid by YOU or your employer (if offered as a benefit)

- Covers all benefits provided by Medicare Parts A, B, and D
- Pays Part A and Part B deductibles and co-pays
- Must stay in provider's network and use their doctors
- Must use your plan's card (DO NOT use your red, white, and blue card)
- It does NOT make you lose your Medicare coverage, it just doesn't use it

MEDICARE PART D

This is insurance to cover PRESCRIPTION MEDICATION

There are 2 kinds of Medicare Prescription Drug coverage

- Stand-alone Part D
- Medicare Advantage with Part D (MAPD)

Each has deductibles, co-pays and enrollment penalties (if you miss open enrollment)

Costs will vary by:

- The plan you choose
- The drugs you use
- Any penalty for joining after open enrollment period
- Those with limited income may qualify for extra help in meeting costs

Part D also has a coverage gap known as the “donut hole”:

Once your total expenditures (co-pay plus insurance coverage) for the year totals \$3,820, YOU will have to pay 100% out-of-pocket until you reach \$5,100 in total expenditures for the year. At \$5,100, Part D co-pay benefits resume.

FOR MORE INFORMATION ABOUT MEDICARE COVERAGE:

www.medicare.gov