GETTING MEDICARE RIGHT DRUG COVERAGE, NURSING HOME CARE, MEDIGAP & MORE

WHAT WE'LL COVER ON THE WEBINAR

- How Medicare works and what it costs.
- Which parts of Medicare you need. (it's usually NOT all 4 parts)
- How, where and when to enroll in Medicare to avoid penalties.
- What Medicare covers and what it doesn't cover.
- How Medicare coordinates with supplemental coverage to pay your cost-share.
- Which doctors accept Medicare and how to find participating doctors in your area
- How to get free claims support for life so you are never alone in dealing with Medicare

It can be very overwhelming when you turn 65 and you become eligible for Medicare for the first time.

It is said to be one of the most confusing moments in a person's life

Medicare Is An **Important** Benefit

Making a less than optimal choice in coverage can be costly, which could result in thousands of dollars of unnecessary out-of-pocket expenses.

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NEW REPORT BLAST

"Confusing' Medicare Search Tool"

According to a new report from the National Council on Aging (NCOA)

"The Medicare.Gov site is overwhelming, information is poorly presented, and the user design is potentially misleading – all of which confuses beneficiaries and can contribute to many making poor plan selections,"

UNDERSTANDING MEDICARE'S DIFFERENT PARTS

Medicare comes in four parts

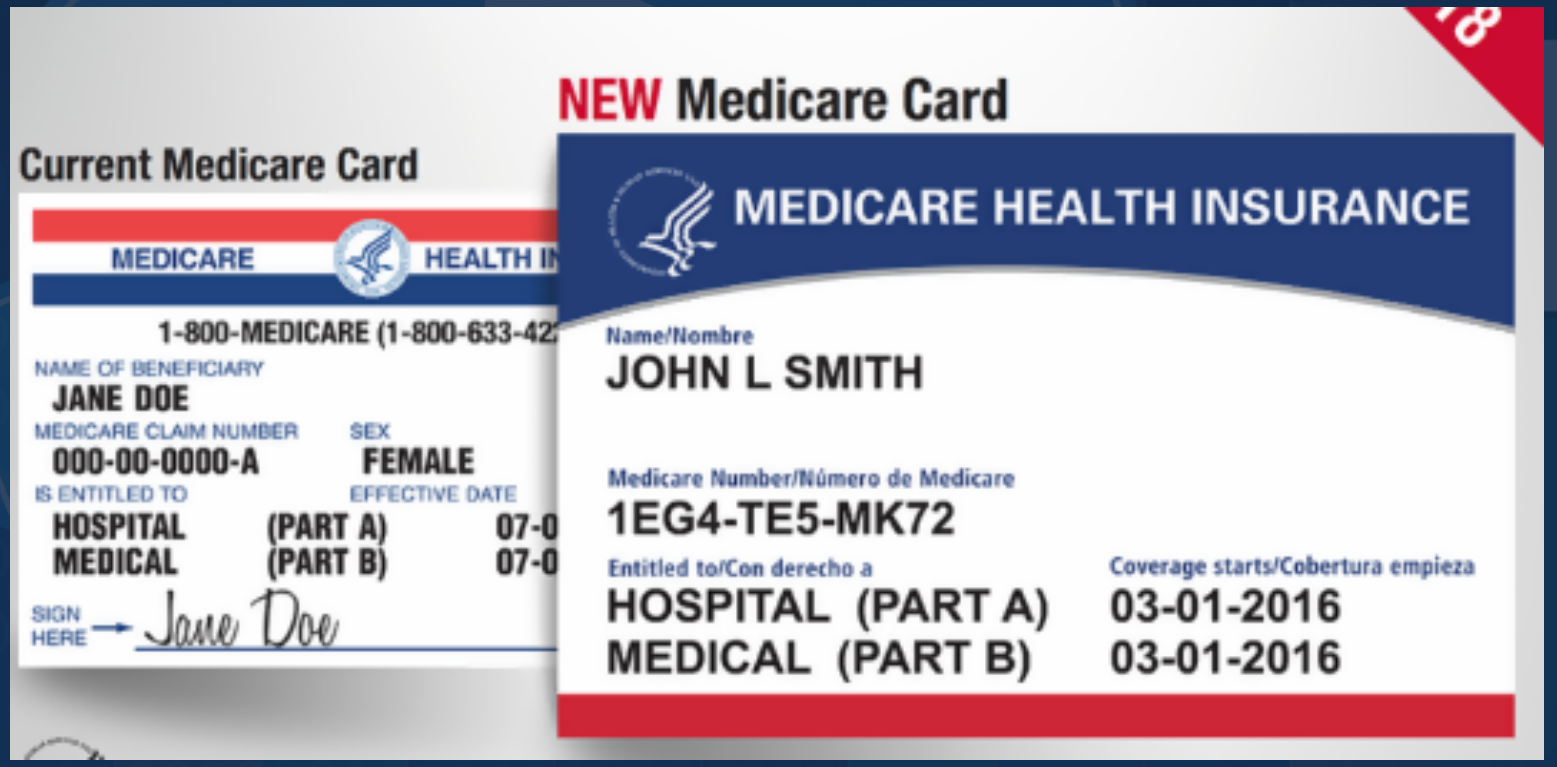
A B C D

Virtually everybody who gets Medicare eventually enrolls in the first two parts, which have been around since the program started in 1966.

PART A

PART B

UNDERSTANDING MEDICARE'S DIFFERENT PARTS



MEDICAL INSURANCE

PART A

MEDICAL INSURANCE

Part A covers:

- Inpatient Care in hospitals
- Limited skilled nursing care
- Hospice care services
- Some home health services

PART A ENROLLMENT INFORMATION

Since most people pay Medicare (FICA) taxes while they're working, (minimum 10 years or 40 Quarters for self or spouse) they won't have to pay a premium for Medicare Part A

However, those who didn't pay Medicare taxes can enroll, but will pay up to a $437 monthly premium in 2019

You can enroll in Medicare Part A any time within the three months leading up to your 65th birthday, the month of your 65th birthday, or any time within the three months immediately after your 65th birthday.

PART A

INPATIENT HOSPITAL CARE

Inpatient Care in Hospitals
For up to 90 days, semi private room, meals, nursing services, hospital services and supplies. Inpatient mental health coverage is limited to 190 lifetime days

Coverage starts when you're admitted and ends when you have either been out of the hospital for 60 days or haven't received medical care in a hospital or skilled nursing facility.

Your Gaps under Medicare Part A
In 2019, you pay $1,364 for days 1-60 each benefit period
In 2019, you pay $341 per day for days 61–90 of each benefit period
In 2019, you pay $682 per "lifetime reserve day" after 90 days of each benefit period

SKILLED NURSING CARE

To Qualify:

- Medicare-certified facility
- 3-Day prior hospitalization
- Transfer within 30 days from hospital discharge
- Services in nursing home must be for a condition that was treated during hospitalization
- Skilled care only-and requires daily basis for skilled care

Medicare Coverage

- First 20 days paid in full
- Days 21-100 $170.50 per day
- No coverage after 100 days

PART A

HOME HEALTH CARE

To Qualify:

- Doctor must have determined client needs medical care in the home
- Needed care must include intermittent (not full time) skilled nursing care, or physical or speech therapy
- Home health agency must be Medicare approved
- Homemaker services(cooking, cleaning, shopping) not covered

Medicare Coverage

- 100% of medically necessary, Medicare approved home health care visits
- 80% of Medicare approved charge for Durable Medical Equipment (wheelchairs, hospital beds, oxygen, walkers etc.)

PART A

HOSPICE CARE

Medicare Coverage

- Medical and support services at home
- Drugs for symptom control and pain relief
- Inpatient Respite Care
- 5% coinsurance
- Care given to a hospice patient in a facility so the usual caregiver can rest

MEDICARE

PART B

- Doctor's office visits
- Most outpatient hospital care
- Laboratory Services
- Diagnostic testing
- Preventive care and screenings
- Durable medical equipment
- Physical therapy
- Some types of home health care

MEDICARE PART B

Medicare Coverage

Preventive Care Services

- Annual routine physical exams
- Glaucoma tests
- Smoking cessation
- Diabetes screenings
- HIV screening
- Cardiovascular screenings
- Flu and Hepatitis B shots
- Many cancer screenings
- Diabetes self-management training

PART B HAS A MONTHLY PREMIUM

The standard Part B premium amount in 2019 is $135.50 Individuals with incomes above $85,000 and couples with incomes above $170,000 pay higher Part B Premiums

- Premium will automatically be deducted from Social Security benefits if currently drawing.
- If paying by check must pay quarterly.
- Can set up monthly EFT auto pay from checking or savings account.

They use a sliding scale to make the adjustments, based on your modified adjusted gross income (MAGI). Your MAGI is your total adjusted gross income and tax-exempt interest income

If your yearly income in 2017 (for what you pay in 2019) was			You pay each month (in 2019)
File individual tax return	File joint tax return	File married & separate tax return	
$85,000 or less	$170,000 or less	$85,000 or less	$135.50
above $85,000 up to $107,000	above $170,000 up to $214,000	Not applicable	$189.60
above $107,000 up to $133,500	above $214,000 up to $267,000	Not applicable	$270.90
above $133,500 up to $160,000	above $267,000 up to $320,000	Not applicable	$352.20
above $160,000	above $320,000 up to $750,000	above $85,000	$433.40

MEDICARE PART B COST

You will pay for services out-of-pocket until you reach the amount of your annual deductible of $185

After that, Medicare will cover 80%
You are responsible for 20%
of the services as part of your coinsurance share with Medicare.

WHEN CAN I ENROLL?

Many people thinking about Medicare enrollment experience stress. Adding to that stress is a variety of Medicare myths and misunderstandings. Perhaps one of the biggest myths is “I must enroll in Medicare at age 65, no matter what.”

Let’s look at a few facts of Medicare enrollment.

Fact #1:

Those who are already receiving Social Security benefits before age 65 will be enrolled in Medicare automatically when they turn 65. They do not have to do anything; they will get their Medicare card in the mail.

Fact #2:

Those who plan to enroll in Social Security at age 65 must also enroll in Medicare. In both cases (already on Social Security or just signing up for it), enrollment in Medicare, at a minimum Part A, hospital insurance, is required because it is a condition of receiving benefits. If you don't want Medicare, then you can't get Social Security.

Fact #3:

Those who do not plan to enroll in Social Security at age 65 and who have an employer group health plan, be it as the employee or a dependent, can delay enrolling if the coverage meets two criteria:

A company with 20 or more employees sponsors the group health plan, and The owner of the policy is still working.

When it's time to retire, these individuals can qualify for a special enrollment period. They can enroll in Medicare, without delay or penalty.

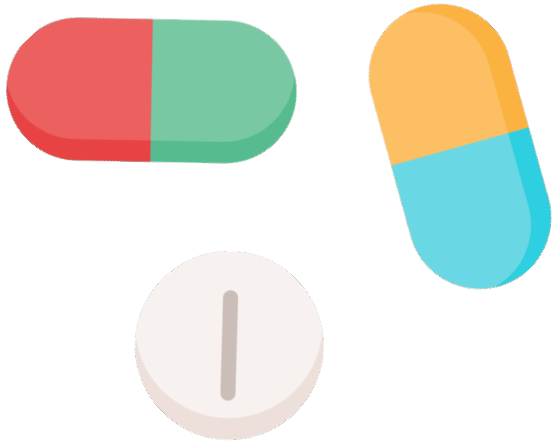
MEDICARE PRESCRIPTION DRUG PLAN

PART D

Original Medicare doesn't include coverage for most prescription drugs, but Medicare Part D Prescription Drug plans exist to help provide coverage for both generic and brand-name drugs.

MEDICARE

PART D



Voluntary coverage for retail outpatient prescriptions


PART D
BRANDS WITH NO GENERIC ALERNATIVE CAN BE VERY EXPENSIVE
COPD Inhalers $350+
Diabetes Pens $410+
Specialty Drugs $600+
*Figures are for example purposes only and will vary by medication

PART D

LATE PENALTY

1% of the national average premium for every month you waited

These plans help cover most commonly prescribed drugs, and are provided by private insurers.

While Medicare requires each company to cover every therapeutic class of drugs,

Each plan has its own list of select brand name and generic covered drugs, called a Formulary

They are Not required to carry every Name Brand so be sure to check your plan's formulary every year if you must take a particular name brand drug

PART D

RATES

Premiums vary by plan
@ $10/month – over $150/month

PART D

Individuals with incomes above $85,000 and couples with incomes above $170,000 pay higher Part D Premiums

Individual Income	Joint Income	File Married & separate tax return	Total Part D Premium Adjustment
$85K	$170K	$85,000 or less	$0
$85K to $107K	$170K to $214K	N/A	+ $12.70
$107K to $160K	$214K to $320K	N/A	+ $32.80
$160K to $214K	$320K to $428K	Above $85,000 Up to $129,000	+ $52.80
$214K and up	$428K and up	Above $129,000	+ $72.90

DRUG FORMULARY

Usually 5 tiers of meds

Tier 1 = Preferred Generics
Tier 2 = Non-preferred Generics
Tier 3 = Preferred Brand
Tier 4 = Non-preferred Brand
Tier 5 = Specialty Medications

PART D

FOUR STAGES

Deductible

Initial Coverage

Coverage Gap

Catastrophic Coverage

PART D

DEDUCTIBLE EXAMPLE

$415 Deductible

Medication cost: $100
You pay $100

Now you have only $315 left until you satisfy deductible and reach Initial Coverage level

PART D

INITIAL COVERAGE

You pay your copay

Insurance company pays the rest

PART D

FUNDING

General Medicare revenues – 73%

Beneficiary premiums – 14%

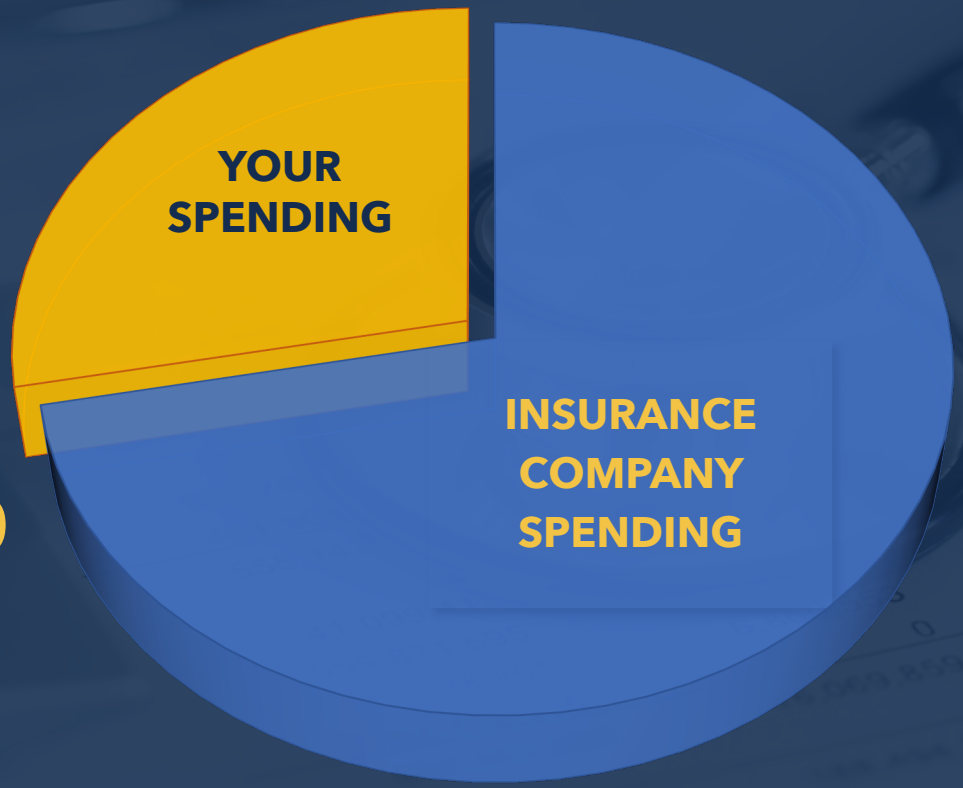
State payments for people with Medicare & Medicaid – 13%

Source: Kaiser Family Foundation

PART D

MEDICATE TRACKS SPENDING

Your costs
+
Ins Co costs
Retail Cost Reach $3,820



PART D

COVERAGE GAP

You pay up to 25% of brand-name medications

PART D

COVERAGE GAP EXAMPLE

Tier 3 Medication

Retail Cost: $400
Initial Coverage Cost: $50*
Gap Cost: $100 (25%)

*Copays and coinsurance vary by plan.
Consult your drug formulary

PART D

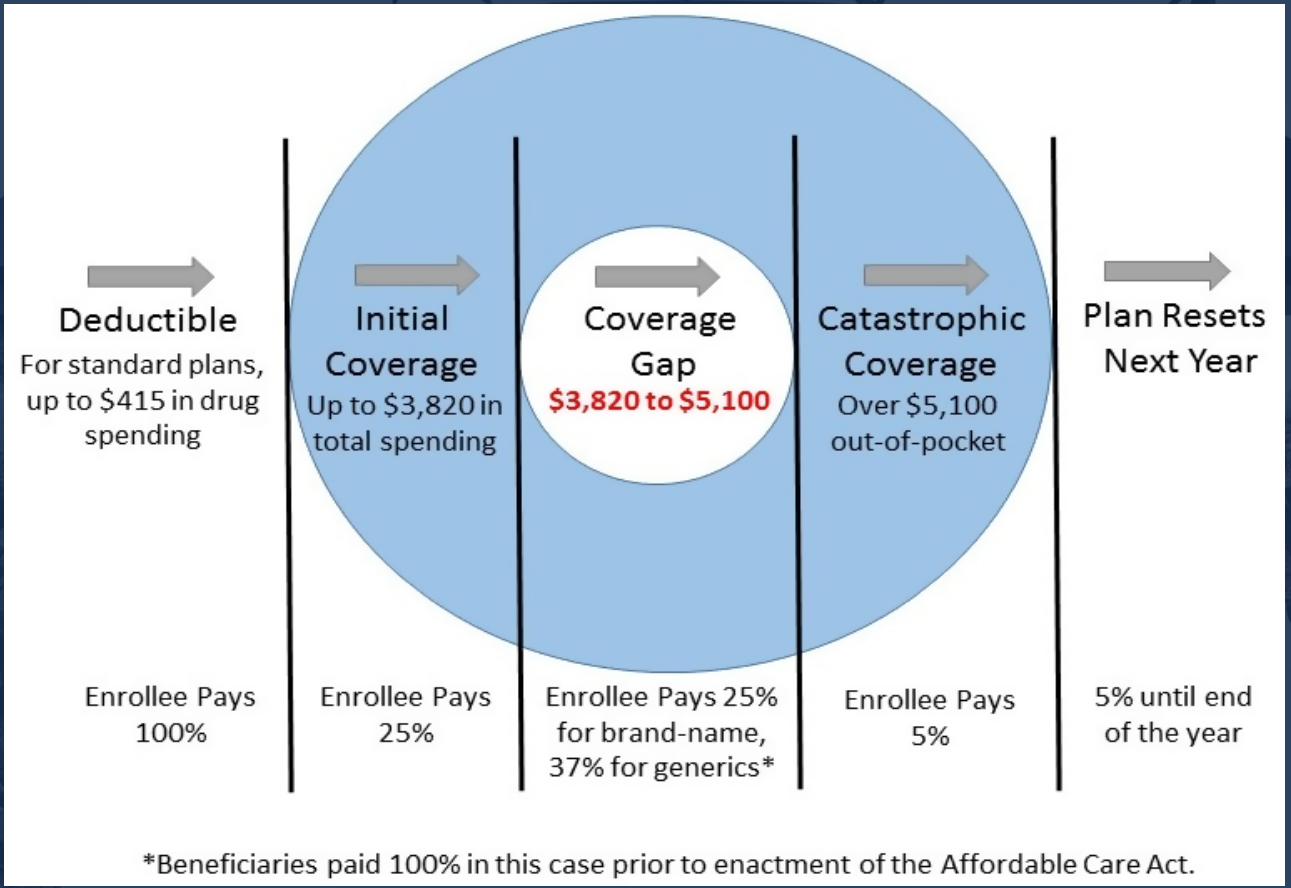
CATASTROPHIC COVERAGE

After Retail Cost Reach $5,100

You pay only 5% of cost of your covered medications for the rest of the year.

PART D

THE MEDICARE "DOUGHNUT HOLE"



ANNUAL ELECTION PERIOD

Oct 15th – Dec 7th
New coverage begins in January

Why Comparing Medicare Plan Option Is Important

89% Of people who used our comparison tool were not in the lowest cost plan.*

First-time enrollees found an average potential savings of $2,225 per year.**

Plan Type	Potential Average Annual Savings by Switching Plans	Potential Average Annual Savings by First-Time Enrollees	Percent of Users in Lowest-Priced Plan
Stand-Alone Prescription Drug Plan (PDP)	$961	$2,215	3.34%

- Single Payer Healthcare system.
- See ANY Doctor, Specialist or Hospital in the country that accepts Medicare which 96% participate.
- NO Referrals needed or Networks to worry about.

PART D

2 Options On How You Receive Your Healthcare Benefits

+

Original Medicare

Supplement & Part D Rx Plan

OR

Medicare Advantage

PART C

MEDICARE ADVANTAGE

Medicare Advantage Plans are a substitute for Original Medicare Medicare pays a fixed amount for your care each month to the private companies offering Medicare Advantage Plans.

Each Medicare Advantage Plan can charge different out of pocket costs.

They can also have different rules for how you get services, like:

- Whether you need a referral to see a specialist
- If you have to go to doctors, facilities, or suppliers that belong to the plan for non-emergency or non-urgent care

These rules can change each year.

PART C

MEDICARE ADVANTAGE

These plans typically have a lower monthly premium. However, your costs will include: copayments, deductibles and coinsurance when you use the plan.

Both your premium and your annual out-of-pocket costs will vary depending on the plan you choose with a maximum of $6700 per year for HMO And $10,000 per year for PPO

PART C

MEDICARE ADVANTAGE

Unlike original Medicare which allows you to see any Doctor who accepts Medicare without any referrals.....

most Medicare Advantage Plans restrict you to only use their network Doctors and require referrals to access Specialist and most additional services.

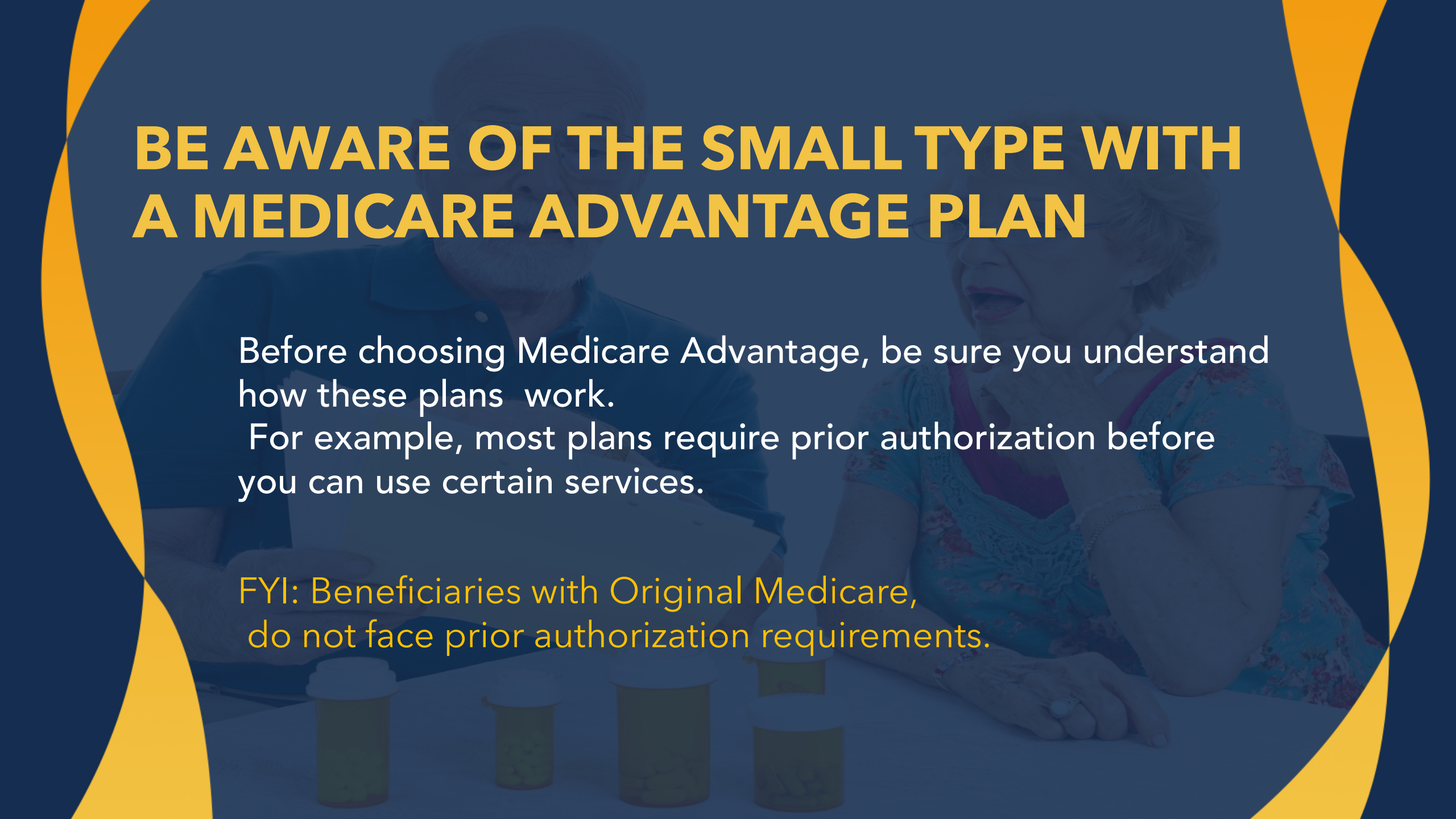
COVERED MEDICAL & HOSPITAL BENEFITS

Benefits	Advantage MD PPO
Inpatient Hospital Coverage (Services may required that your provider get prior authorization (approval in advance). Please see the Evidence of Coverage booklet for more information.)	Our plan covers 90 days for an in-network or out-of-network inpatient hospital stay. (Our plan also covers 60 lifetime reserve days.) In-network: $310 copay per day for days 1 through 6. You pay nothing per day for days 7 through 90. Out-of-network: 25% coinsurance
Outpatient Hospital Coverage (Services may required that your provider get prior authorization (approval in advance). Please see the Evidence of Coverage booklet for more information.)	In-network: $300 copay Out-of-network: 50% coinsurance

COVERED MEDICAL & HOSPITAL BENEFITS

Benefits	Advantage MD PPO
Medicare Part B Drugs (Services may required that your provider get prior authorization (approval in advance). Please see the Evidence of Coverage booklet for more information.)	For Part B drugs such as chemotherapy drugs: In-network: 20% of the cost Out-of-network: 40% of the cost Other Part B drugs: In-network: 20% of the cost Out-of-network: 40% of the cost
Diagnostic Services/Labs/Imaging (Services may required that your provider get prior authorization (approval in advance). Please see the Evidence of Coverage booklet for more information.)	Lab Services: In-network: You pay nothing Out-of-network: 50% coinsurance Diagnostic tests and procedures: In-network: 20% coinsurance Out-of-network: 50% coinsurance Diagnostic X-rays (such as mammography, ultrasound): In-network: $30 copay Out-of-network: 30% coinsurance

BE AWARE OF THE SMALL TYPE WITH A MEDICARE ADVANTAGE PLAN



Before choosing Medicare Advantage, be sure you understand how these plans work.

For example, most plans require prior authorization before you can use certain services.

FYI: Beneficiaries with Original Medicare, do not face prior authorization requirements.

Medicare Advantage Prior Authorization

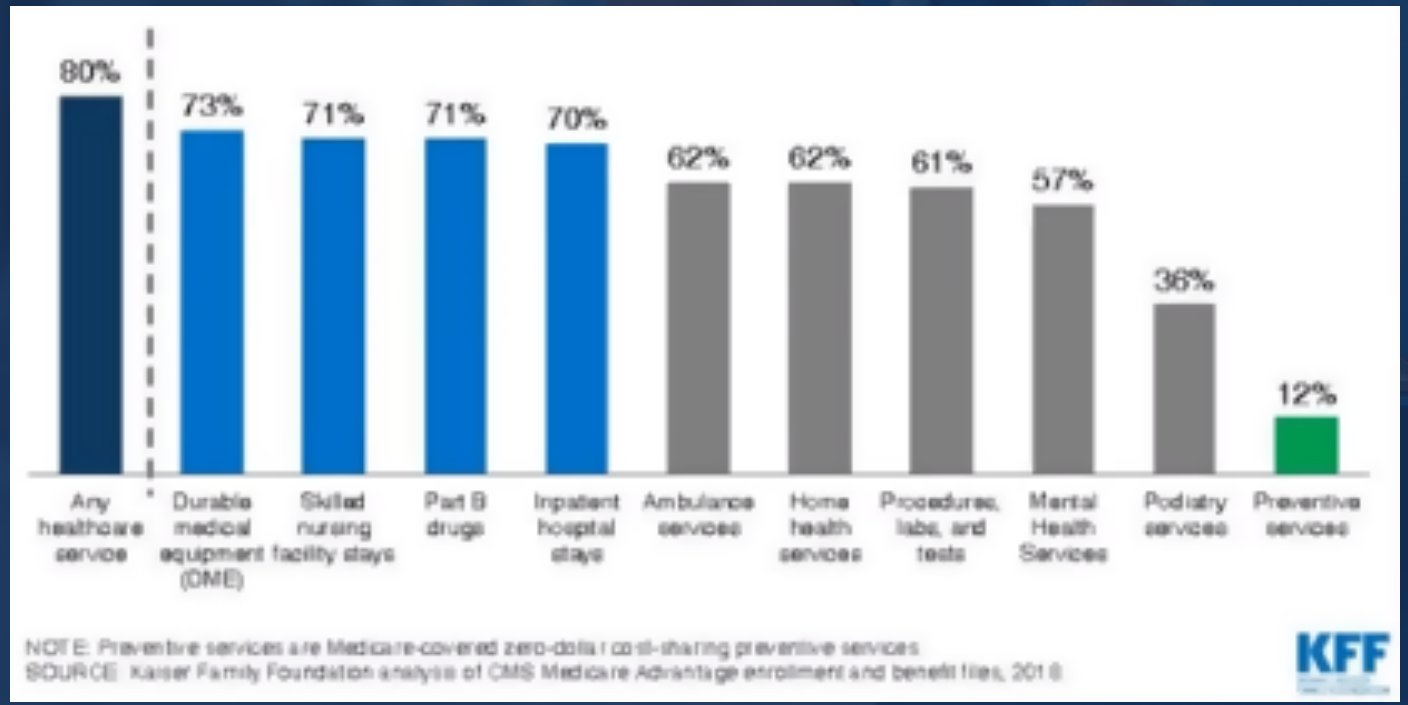
A physician must obtain approval from an insurance plan to prescribe a healthcare service, treatment plan, or a piece of medical equipment. It's also possible the plan can choose not to authorize the physician's request.

Many are familiar with authorization required by employers' group health plans for surgery or hospitalization. However, many Medicare Advantage plans go beyond that, requiring authorization for most services, such as X-rays, physical therapy, and home healthcare.

Promotional information for plans likely will not mention this requirement. But be aware, 80% of Medicare Advantage enrollees are in plans that require prior authorization.

4 In 5 Medicare Advantage Enrollees Are In Plans That Required Prior Authorization For Some Services

Most enrollees are required to receive prior authorization for the highest cost services and fewer enrollees need to receive it for preventive services



MORE IMPORTANT POINTS

Original Medicare does not have prior authorization requirements. Doctors and other healthcare providers follow Medicare's coverage criteria.

They determine the appropriate plan for their patients.

Original Medicare does not require referrals. A beneficiary simply goes to a provider who accepts Medicare assignment.

MEDICARE SUPPLEMENT vs. MEDICARE ADVANTAGE

Concerns of Seniors	Medicare Supplement	Medicare Advantage
Restrictive Network of Doctors and Hospitals	NO	YES
Co-Payments to Providers	NO	YES
Up to $6,700 Yearly Out-of-Pocket Costs	NO	YES
Health Plan Decides What Test and Procedures are Approved for You	NO	YES
Can Your Plan Be Cancelled?	NO Can't be cancelled as long as premium are paid	YES Plans are approved yearly and can be dropped
Ability to Travel the Country and Use ANY Doctor or Hospital	YES	NO
Is Pre-Certification Required for Some Treatments?	NO	YES Penalties can apply if pre-certification not done
MAYO Clinic Included?	YES	NO

MEDICARE SUPPLEMENT PLANS

Medicare Supplement Plans, are also known as Medigap because they cover the GAPS not covered by Part A and Part B.

MEDICARE SUPPLEMENTS

- Health insurance policy
- Sold by private insurance companies
- Follows federal and state laws designed to protect seniors
- Covers “gaps” in the Original Medicare Plan
- 10 Modernized policies

YOUR COST SHARING IN 2019

Part A

- Part A Deductible - $1,364
- $341 Daily Copay on Day 61
- $682 Daily Copay on Day 91
- All Costs after Day 150
- First 3 pints of Blood
- $164 day for days 20 -100 in skilled nursing care

Part B

- Part B Deductible -$185
- Then 20% coinsurance
- NO Out Of Pocket Cap!

MEDICARE SUPPLEMENT (MEDIGAP) PLANS & BENEFITS

Medigap Benefits	A	B	C	D	F	G	K	L	M	N
Medicare Part A coinsurance and hospital costs	*	*	*	*	*	*	*	*	*	*
Medicare Part A hospital deductible		*	*	*	*	*	50%	75%	50%	*
Skilled nursing facility copay/coinsurance			*	*	*	*	50%	75%	*	*
Part A Hospice Care Coinsurance or Copayments	*	*	*	*	*	*	50%	75%	*	*
Medicare Part B deductible			*		*					
Medicare Part B coinsurance	*	*	*	*	*	*	50%	75%	*	*
Medicare Part B excess charges					*	*				
Blood (first 3 pints)	*	*	*	*	*	*	50%	75%	*	*
Foreign travel emergencies (up to plan limits)			*	*	*	*			*	*
Out-of-pocket limit in 2015							$4,940	$2,470		

MEDICARE SUPPLEMENT PLANS (MEDIGAP

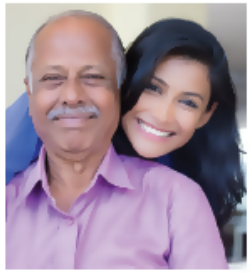
- Medicare is your Primary Insurance
- It is Medicare that approves your healthcare procedures, NOT the supplement insurance companies.

MEDICARE SUPPLEMENT PLANS (MEDIGAP

- All Doctors and Hospitals bill Medicare first,
- (Single Payer System)
- and ALL Supplement Plans are required by law to pay the Medicare GAP balance.

THE OFFICIAL U.S. GOVERNMENT MEDICARE HANDBOOK

MEDICARE & YOU



2019

DEPARTMENT OF HEALTH & HUMAN SERVICES · USA

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Section 6 – What are Medicare Supplement Insurance (Medigap) Policies?

Medigap policies are standardized

Every Medigap policy must follow federal and state laws designed to protect you, and it must be clearly identified as "Medicare Supplement Insurance." Insurance companies can sell you only a "standardized" policy identified in most states by letters A through D, F through G, and K through N. All policies offer the same basic benefits, but some offer additional benefits so you can choose which one meets your needs. In Massachusetts, Minnesota, and Wisconsin, Medigap policies are standardized in a different way.

Source: 2015 CMS Medicare And You

Section 2 – Medigap Basics

carefully. Compare available Medigap policies to see which one meets your needs. As you shop for a Medigap policy, keep in mind that different insurance companies may charge different amounts for exactly the same Medigap policy, and not all insurance companies offer all of the Medigap policies.

Source: 2015 CMS Medicare And You

Section 2 – Medigap Basics

Comparing Medigap costs

As discussed on the previous pages, the cost of Medigap policies can vary widely. **There can be big differences in the premiums that different insurance companies charge for exactly the same coverage**. As you shop for a Medigap policy, be sure to compare the same type of Medigap policy, and consider the type of pricing used. See pages 17–18. For example, compare a Plan C from one insurance company with a Plan C from another insurance company. Although this guide **can't** give actual costs of Medigap

Source: 2015 CMS Medicare And You