

SOURCEWISE
COMMUNITY RESOURCE SOLUTIONS



Medicare Explained

Connie Corrales, Director
Health Insurance Counseling
& Advocacy Program

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Helping Seniors Age Well at Home

Sourcewise provides **expertise, education, and quality support services** to Santa Clara County seniors, their families and caregivers.



Sourcewise Direct Services



Information &
Assistance



Care Management



Senior Employment



Meals on Wheels



Health Insurance Counseling
& Advocacy Program



Health Insurance Counseling & Advocacy Program

- ❑ HICAP counselors are available at Sourcewise and at senior centers throughout Santa Clara County
- ❑ Call for an appointment!! (408) 350-3200, option 2





What is Medicare?

- ❑ A federal health insurance program for people:
 - ❑ 65 years of age or older
 - ❑ under age 65 with certain disabilities
 - ❑ Including Amyotrophic Lateral Sclerosis (ALS)
 - ❑ any age with End-Stage Renal Disease (ESRD)

- ❑ Administered by Centers for Medicare & Medicaid Services (CMS)

- ❑ Enrollment by Social Security Administration (SSA) or Railroad Retirement Board (RRB)





Parts of Medicare

- Part A Hospital Coverage
- Part B Medical Coverage
- Part C Medicare Advantage Plans
- Part D Prescription Coverage

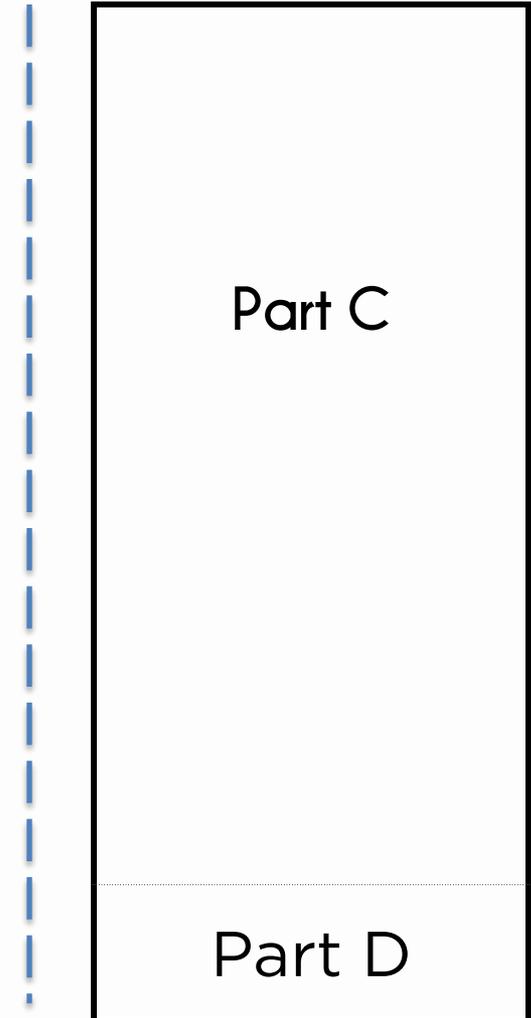


Medicare Coverage

“Original Medicare”

Part A	<ul style="list-style-type: none"><input type="checkbox"/> Inpatient hospital care<input type="checkbox"/> Skilled nursing care<input type="checkbox"/> Home health care<input type="checkbox"/> Hospice care
Part B	<ul style="list-style-type: none"><input type="checkbox"/> Doctor’s services and outpatient care<input type="checkbox"/> Annual Wellness Visit<input type="checkbox"/> Preventive services<input type="checkbox"/> Home health care<input type="checkbox"/> Diagnostic tests<input type="checkbox"/> Some therapies<input type="checkbox"/> Durable medical equipment
Part D	<ul style="list-style-type: none"><input type="checkbox"/> Outpatient prescription drugs

“Medicare Advantage”





Not Covered by Medicare Part A or B

- Long-term care
- Routine dental care
- Dentures
- Vision
- Cosmetic Surgery
- Acupuncture
- Hearing aids and exams for fitting hearing aids
- Other- check on www.medicare.gov



Enrolling in Original Medicare: Parts A&B

Initial Enrollment Period (IEP)

Seven months, beginning three months before month of eligibility

- Don't have to be retired
- Contact the Social Security Administration to enroll
- Enrollment is automatic if you already receive Social Security or Railroad Retirement benefits

Enrollment period is based on your entitlement month, not the specific day of the month*

Month 1	Month 2	Month 3	65th birthday Month	Month 5	Month 6	Month 7
Example: July 1 st	August	September	October 30 th birthday	November	December	January 31 st

*The only exception is for those born on the 1st. See your HICAP counselor for more info.



Missed Initial Enrollment?

Must wait until the . . .

General Enrollment Period (GEP)

January 1 through March 31 each year

Coverage not effective until July 1

Premium penalty

10% for each 12-month period eligible but not enrolled

Permanently added to any future Part B premium

Limited exceptions





Delaying Part B Enrollment

- Some people can delay enrolling in Part B with no penalty
 - Must be covered under employer or union group health plan . . . AND
 - coverage must be based on active employment
 - Individual's or spouse's

Special Enrollment Period (SEP)

Anytime while working and up to eight months after active employment or employer coverage ends, whichever happens first.



Paying for Medicare Part A & B

Part A Premium- based on work history
(self or spouse)

40 or more credits* \$0 /month

30-39 credits \$243/month

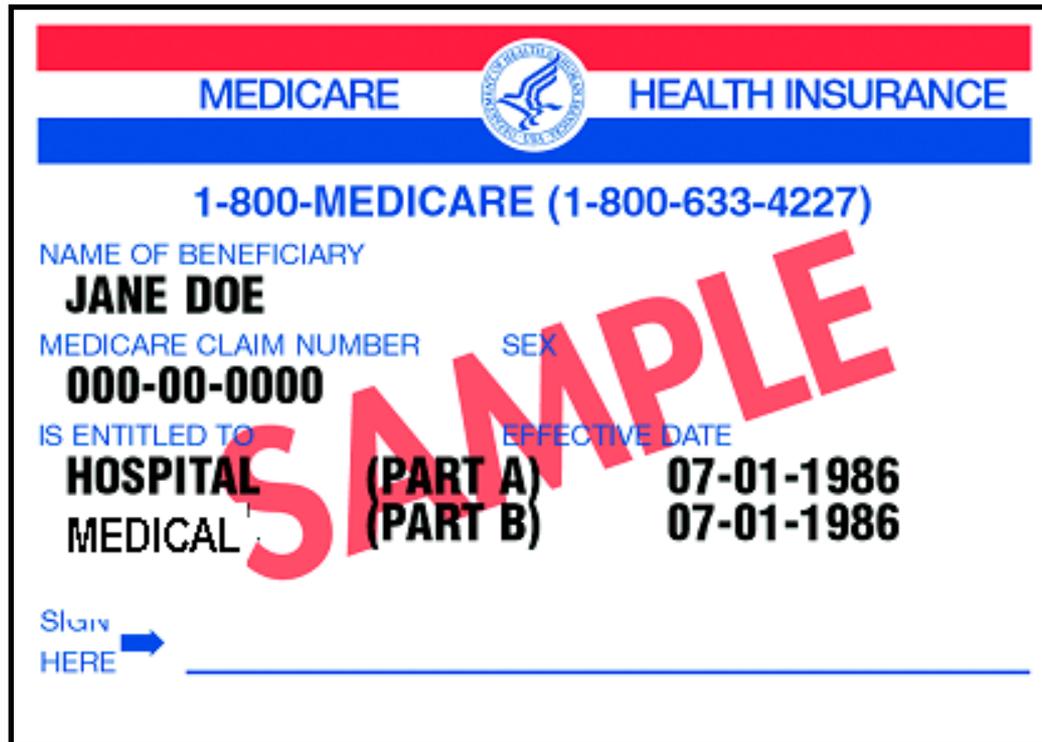
less than 30 credits \$441/month

Part B Premium- starts at \$104, based on
MAGI

*\$1,160 in earnings = 1 credit in 2013, 4 credits can be earned in a year.



Medicare Card



A sample Medicare card with a red and blue header. The header contains the text "MEDICARE" and "HEALTH INSURANCE" separated by the Medicare logo. Below the header is the phone number "1-800-MEDICARE (1-800-633-4227)". The card lists beneficiary information for Jane Doe, including her name, Medicare claim number (000-00-0000), and sex. It also shows entitlement to Hospital (Part A) and Medical (Part B) insurance, both effective as of 07-01-1986. A large red "SAMPLE" watermark is overlaid on the card. At the bottom left, there is a "Star HERE" label with an arrow pointing to a blank line.

MEDICARE  **HEALTH INSURANCE**

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER SEX
000-00-0000

IS ENTITLED TO EFFECTIVE DATE
HOSPITAL (PART A) 07-01-1986
MEDICAL (PART B) 07-01-1986

Star  HERE  _____

Part A Costs: The Hospital Stay

With Original Medicare, you pay the following in 2013 for an inpatient stay per benefit period:

Days Admitted as Inpatient	Individual responsibility
1 - 60	\$1184 deductible (per benefit period)
61 - 90	\$296 per day co-pay
91 - 150	\$592 per day co-pay

* After 150 days, individual responsible for all hospital costs



Part A Costs: Skilled Nursing Facility

With Original Medicare, you pay the following in 2013 per benefit period:

Days in a Skilled Nursing Facility	Individual responsibility
1 - 20	\$0
21 - 100	\$148 per day co-pay
101 +	Entire cost

- Must meet skilled requirements for Medicare covered stay
 - Does NOT include custodial care





Medigap

- ❑ Health insurance policy
 - ❑ Sold by private insurance companies
 - ❑ Must say “Medicare Supplement Insurance”
 - ❑ 10 Medigap plans effective June 1, 2010
 - ❑ Plans A-D, F, G, K-N





How Medigap Works

- Continue to pay Part B premium
- Pay the Medigap monthly premium
- See generally any doctor enrolled in Medicare
- Covers “gaps” in the Original Medicare Plan
 - Deductibles, copayments, coinsurance
- Does not work with Medicare Advantage plans





Medigap Enrollment

Medigap Open Enrollment Period (OEP)

Six months, starting from
Part B effective date

When you lose certain kinds of health coverage

Whenever the company will sell you a policy



Eligibility for MA Plans

- Live in the plan service area
- Enrolled in both Medicare Part A and Part B
 - Continue to pay Part B premium
 - Also pay monthly MA Part C plan premium
- Cannot have ESRD at enrollment





How MA Plans Work

- ❑ Part A and B benefits delivered by the MA plan
- ❑ May include extra benefits
 - ❑ Vision, hearing, dental services
 - ❑ Prescription drug coverage
- ❑ Still in Medicare program
 - ❑ Guaranteed all Part A and B benefits
 - ❑ Have same Medicare rights and protections





Medicare Advantage HMO Plans

- ❑ Network = doctors, hospitals, other providers and suppliers contracted with the MA plan
- ❑ Generally must obtain care and services from plan's network
 - ❑ Must pick and see primary care doctor first
- ❑ Copayments are set by the plan
 - ❑ May have to pay in full for care outside plan's network
 - ❑ Covered if an emergency or urgently needed care





Medicare Advantage Special Needs Plans

- Dual eligible Beneficiaries
 - Medicare and Medi-Cal
- Beneficiaries with certain medical conditions
 - Diabetes
 - Chronic lung disease
 - Cardiovascular disorder
 - Living in a nursing facility





Prescription Drug Coverage - Part D

- ❑ Available to all people with Medicare
- ❑ Provided through
 - ❑ Medicare prescription drug plans- Stand Alone “PDP”
 - ❑ Medicare Advantage and other Medicare plans- “MA-PD”
 - ❑ Some employers and unions





Late Enrollment in Part D

- ❑ People who wait to enroll may pay a penalty
 - ❑ Additional 1% of national base premium (\$32.42 in 2014)
 - ❑ Must pay the penalty as long as enrolled in a Medicare drug plan
- ❑ Unless they have “Creditable Coverage”





Part D Coverage Gap Shrinking 2014

“Donut Hole”

- ❑ What: Discount and subsidy apply to Part D-covered drugs in plan’s formulary or granted an exception by plan.
 - ❑ Brand name drugs- 52.5% discount
 - ❑ Generic drugs- 28% discount
- ❑ Where: Point-of-Sale (e.g. at the pharmacy)





Extra Help with Drug Costs

- ❑ Available for people with limited income and resources
 - ❑ Income limit in 2013
 - ❑ \$17,235 per year (individual)
 - ❑ \$23,265 per year (married couple)
 - ❑ Resource limit
 - ❑ \$13,300 (individual)
 - ❑ \$26,580 (married couple)





Summary

- Original Medicare (Part A & Part B)

- Medicare Supplement Insurance policy (Medigap)
- Prescription Drug Plan “PDP” (Part D)

OR

- Medicare Advantage Plans (Part C)

- HMO, PPO, or Special Needs Plan
- Prescription Drug Coverage “MA-PD” (Part D)
 - Usually included





Prevent Fraud and Abuse

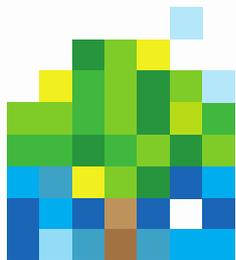
Medicare Card

SS#

Just Say NO!!!

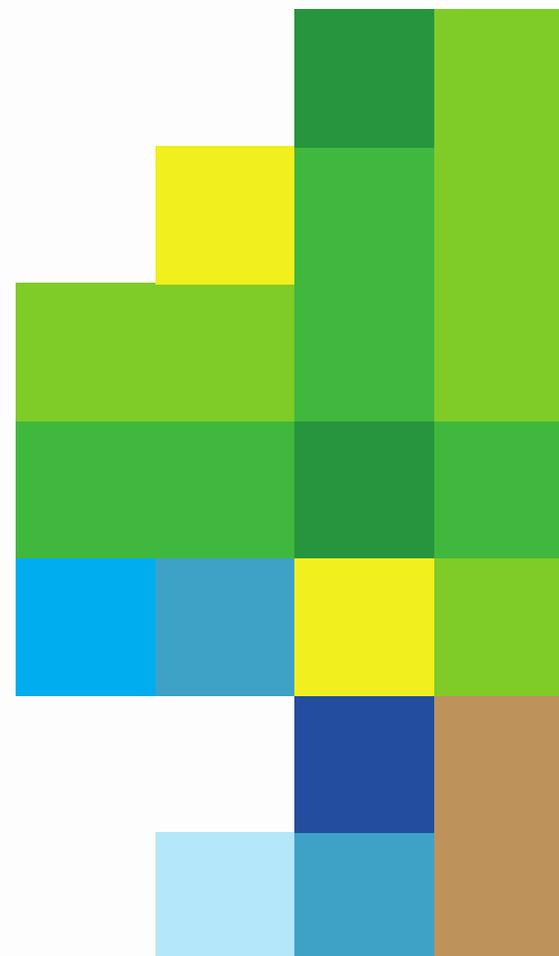
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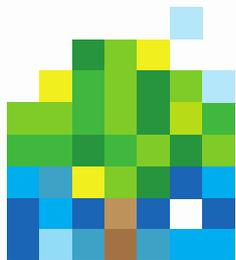




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Thank You





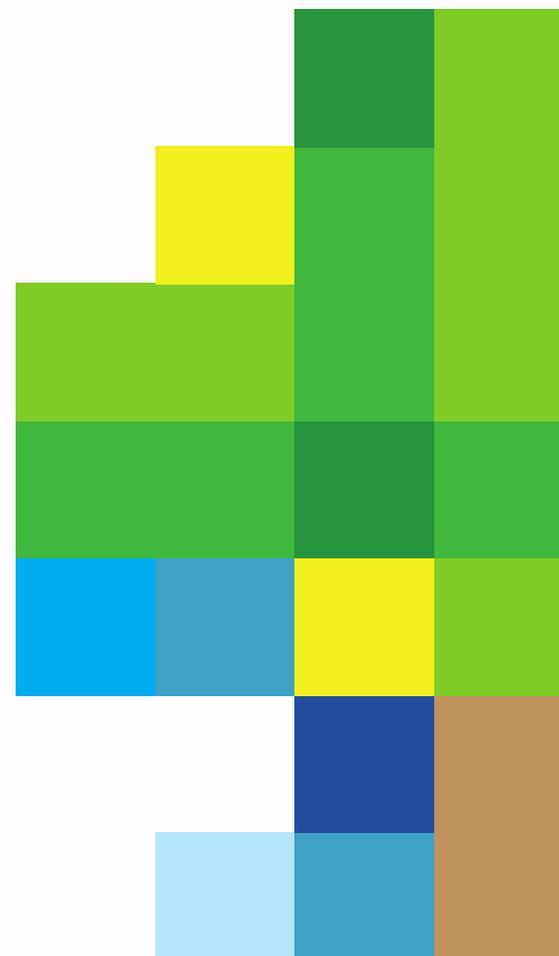
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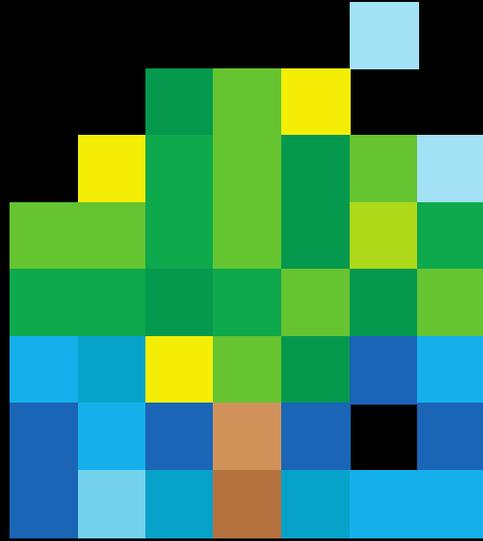
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2013 Part B Premium

If your MAGI in 2011 was:		You pay
Individual Tax Return	Joint Tax Return	
\$85,000 or less	\$170,000 or less	\$104.90
\$85,001-\$107,000	\$170,00-\$214,000	\$146.90
\$107,001-\$160,000	\$214,001-\$320,000	\$209.80
\$160,001-\$214,000	\$320,001-\$428,000	\$272.70
Above \$214,000	Above \$428,000	\$335.70



Income Related Monthly Adjustment Amount

□ Part D premium adjustment in 2013

If your yearly income in 2011 was:		You pay Social Security
(Individual Tax Return)	(Joint Tax Return)	
\$85,000 or less	\$170,000 or less	\$0
\$85,001-\$107,000	\$170,00-\$214,000	\$11.60
\$107,001-\$160,000	\$214,001-\$320,000	\$29.90
\$160,001-\$214,000	\$320,001-\$428,000	\$48.30
Above \$214,000	Above \$428,000	\$66.60

