



Congresswoman Jackie Walorski  
2<sup>nd</sup> District of Indiana  
Medicare 101

# Presenters:

## **John Williams** **Medicare Specialist**

State Health Insurance Assistance Program – SHIP


- 8 years – SHIP Medicare Specialist
- 38 years – Social Security Administration
- 6 years – Medicaid (Indiana Dept. of Public Welfare)

## **Jan Faker** **Senior Constituent Liaison**

Medicare, Healthcare and Social Security Specialist

- Congresswoman Jackie Walorski – since 2014
  - U.S. Senator Dan Coats – 4 years
  - Congressman Steve Buyer – 17 years
- 

# What we will cover today

- **Jan Faker:**
    - What's new in 2021
  - **John Williams:**
    - What is Medicare?
    - Who is Eligible?
    - When do I Enroll?
    - How do I Enroll?
    - Medicare Parts A & B
    - Medigaps or "Supplements"
  - **Jan Faker:**
    - Medicare Part D Drug Plans
  - **John Williams:**
    - Medicare Part C Advantage Plans
  - **Jan Faker:**
    - Wrap- up
  - **Questions?**
- 



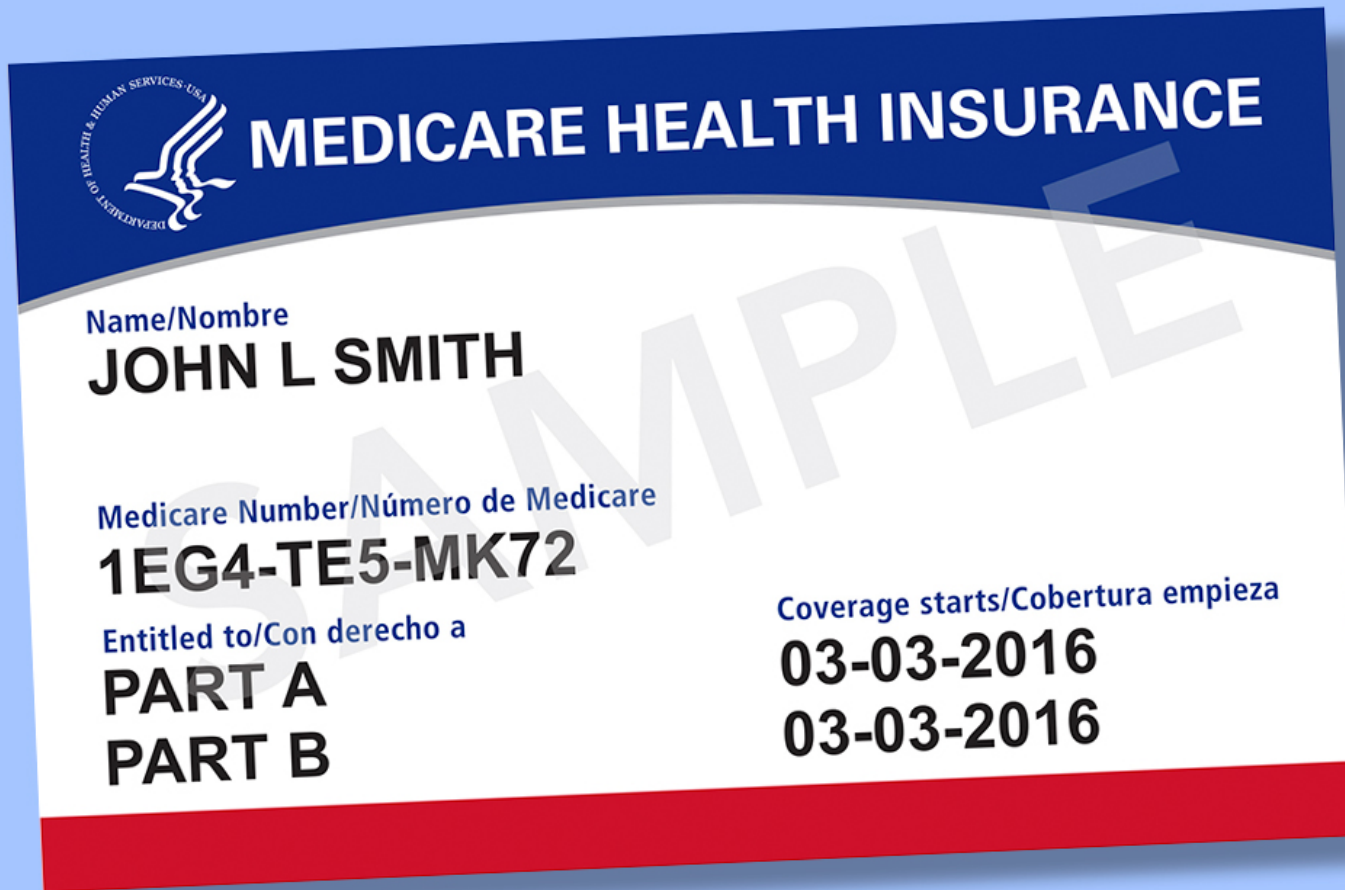
# Medicare & You 2021

The official U.S. government  
Medicare handbook



CMS

# What's new in 2021?



# What else is new in 2021?

**What is my Cost of Living Increase (COLA) for Social Security in 2021?**

- Will be announced October 13<sup>th</sup>
- Based on Consumer Price Index

**What will my Medicare Part B premium be in 2021?**

- Announced later in October 2020

**Part D Senior Savings Model – \$35 copay for insulin**





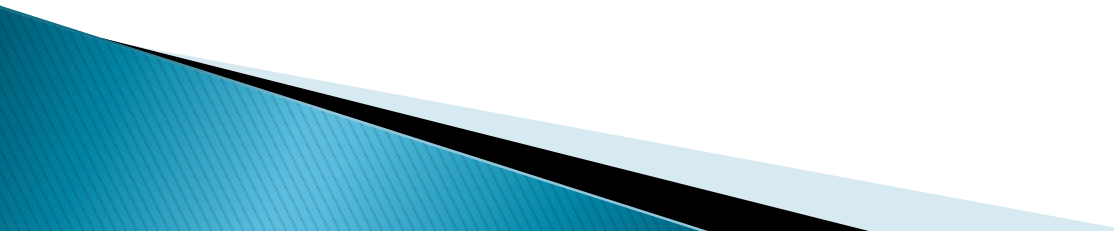
# Medicare Annual Enrollment

(or why is my mailbox exploding??)

- ▶ Starts October 15<sup>th</sup> – December 7<sup>th</sup>
  - Coverage changes begin January 1, 2021
    - Enroll
    - Disenroll
    - or switch Medicare Advantage Plans or Part D Drug Plans


But first...let's learn about Medicare!

# Who is Eligible for Medicare?

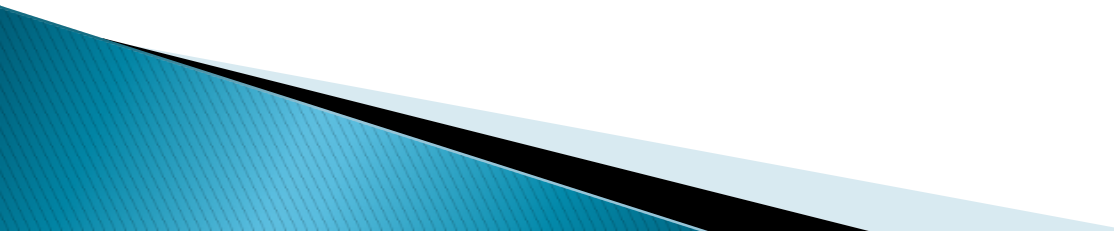
- ▶ U.S. citizen or legal resident for at least five consecutive years; and
  - ▶ Age 65 or older
  - ▶ Under age 65 – received SSDI for 24 months or has ALS
  - ▶ Any age with a diagnosis of end-stage renal disease
- 



# WHEN DO I SIGN UP FOR MEDICARE?

- ▶ Your first chance to enroll:
    - Your initial enrollment period (IEP)
      - Seven months to enroll – three months before you turn 65, your birthday month and three months after your birthday month
  - ▶ If you enroll before turning 65, your coverage starts the first day of your birthday month
  - ▶ If you enroll during your birthday month or later coverage will be delayed
- 

# SOME MAY BE AUTOMATICALLY ENROLLED

- ▶ At age 65 if you receive SS monthly benefits
  - ▶ If under 65 and you receive SSDI, you are automatically enrolled in Part A and B after 24 months
  - ▶ If under 65 and have ALS you are automatically enrolled in Part A and B the first month you receive SSDI
- 

# HOW DO I SIGN UP FOR MEDICARE?

- ▶ Contact Social Security Administration

1-800-772-1213

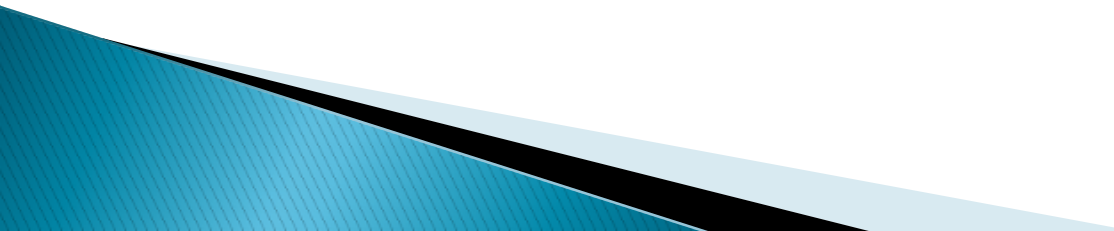
or

- Apply online at [www.ssa.gov/benefits/medicare](http://www.ssa.gov/benefits/medicare)

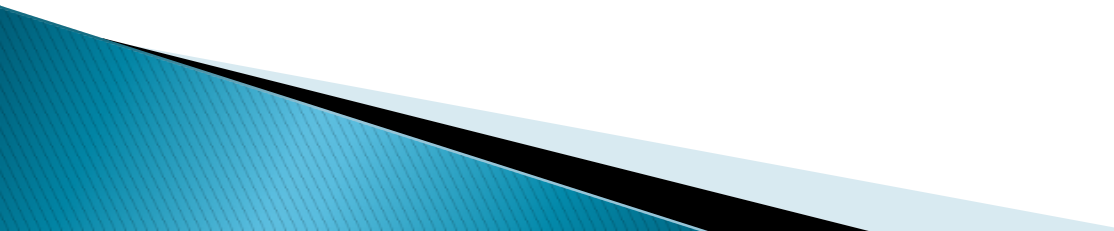
- NOTE: SSA offices are currently not taking in-person appointments

- Your red, white and blue Medicare card will arrive before your 65<sup>th</sup> birthday

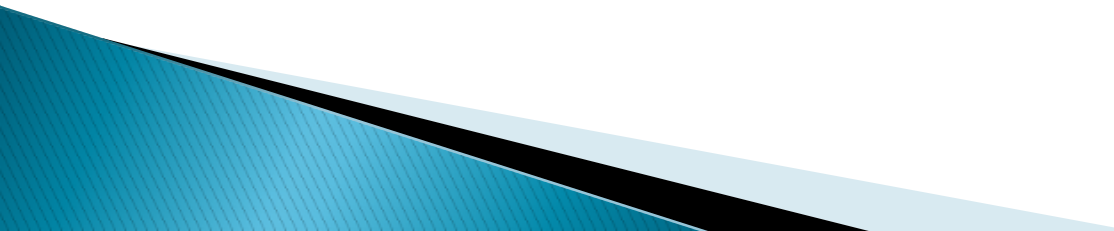
# Parts of Medicare

- ▶ Medicare Part A (Hospital)
  - ▶ Medicare Part B (Medical)
  - ▶ Medicare Part C (Advantage)
  - ▶ Medicare Part D (Drugs)
- 

# Definitions

- ▶ **Premium** – the fixed amount you pay your health insurance or plan for Medicare coverage. You may pay your premium to Medicare, to a private insurance company or both depending on your coverage.
  - ▶ **Out of Pocket Maximum** – the maximum amount you pay during a policy period (generally one year). After maximum is reached your plan pays 100%. Does not include premium.
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# Definitions

- ▶ **Deductible** – a set amount you pay out of pocket each year or benefit period before your plan begins to pay
  - ▶ **Coinsurance** – the cost you and your health insurance plan pay are split on a percentage basis such as 20% / 80%
  - ▶ **Copay** – fixed dollar amount you pay when you receive service
- 

# MEDICARE PART A

## HOSPITAL INSURANCE

### HOSPITAL COVERAGE FOR EACH HOSPITAL STAY:

- \$1,408 deductible per benefit period.
- \$0 for the first 60 days of each benefit period
- \$352 co-pay each day for days 61–90
- \$704 co-pay each day for days 91–150

### SKILLED NURSING FACILITY STAY

Up to 100 days in a skilled nursing facility after a three-day inpatient hospital admission

- \$0 for first 20 days
- \$176 per day for days 21–100


- Blood
- Home health
- Hospice

**MEDICARE PART A: \$0 premium**



# MEDICARE PART B

## MEDICAL INSURANCE

- ▶ Doctor's visits
  - ▶ Outpatient hospital services
  - ▶ Home health care
  - ▶ Durable medical equipment;
    - Canes, walkers, wheelchairs, oxygen and diabetic supplies etc.
  - ▶ Lab tests
  - ▶ Preventive Services
    - Annual Wellness visit, screenings, shots or vaccines
  - ▶ Medicare Part B has a \$198 annual deductible
  - ▶ Medicare Part B pays 80% – You pay 20%
- 

# HOW MUCH DO I PAY FOR MEDICARE PART B


The standard Part B premium amount in 2020 is \$144.60 a month.

Some beneficiaries pay more, based on their income (MAGI – modified adjusted gross income)

- Individuals with annual income of more than \$87,000
- Joint Filers with MAGI of more than \$174,000

- ▶ **Penalty**: If you didn't get Part B when you're first eligible, your monthly premium may go up 10% for each 12-month period you could've had Part B but didn't sign up. FOREVER!

# CAN I DECLINE MEDICARE PART B?

- ▶ You can decline Part B without a penalty if you are still actively working and have coverage through a large group employer health plan. (Not retirement health coverage!)
  - ▶ Be sure before you decline!
    - Call SSA (800-772-1213) and ask if you can decline without a penalty for late Part B enrollment.
  - ▶ Ask your employer for “evidence of coverage” if you are working and have employer group coverage.
  - ▶ You have 8 months to enroll in Part B after retiring or losing your employer coverage.
- 

# MEDICARE SUPPLEMENTS OR “MEDIGAPS”

- ▶ Medigap plans help pay some of your Medicare out of pocket costs
- ▶ Medigap plans are sold by private insurance companies and help pay some deductibles, copays and coinsurances not covered by original Medicare

**SHIP website for Medigaps: [www.idoi.in.gov/medigap](http://www.idoi.in.gov/medigap)**



### How do I compare Medigap plans?

The chart below shows basic information about the different benefits that Medicare Supplement Insurance (Medigap) plans cover for 2020. If a percentage appears, the Medigap plan covers that percentage of the benefit, and you're responsible for the rest. Out-of-pocket costs (like **deductibles**) might change for 2021.

Benefits	Medigap plans									
	A	B	C	D	F*	G*	K	L	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
							Out-of-pocket limit in 2020**			
							\$5,880		\$2,940	

\* Plans F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,340 in 2020 before your policy pays anything. (You can't buy Plans C and F if you were newly eligible for Medicare on or after January 1, 2020. See previous page for more information.)

\*\* For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$198 in 2020), the Medigap plan pays 100% of covered services for the rest of the calendar year.

\*\*\* Plan N pays 100% of the Part B coinsurance. You must pay a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.

# IT'S TIME FOR.....



# **1. When are you eligible for Medicare?**

At age 65– Enroll three months before your 65<sup>th</sup>, the month of and three months after. (Seven-month Initial Enrollment Period)

# **2. What is Medicare Part A?**

Hospital Insurance (inpatient only)

Up to 100 days in skilled nursing facility (rehab)

# **3. What is Medicare Part B?**

Medical Insurance

Doctor's visits, Outpatients services,

Durable medical equipment, Home

Health and Preventive Services

# **4. How do I enroll in Medicare?**

Contact Social Security Administration **800/772-1213**

Apply online at **[www.ssa.gov/benefits/medicare](http://www.ssa.gov/benefits/medicare)**



**5. How much does Medicare Part B pay?**

80% of Medicare's approved amount

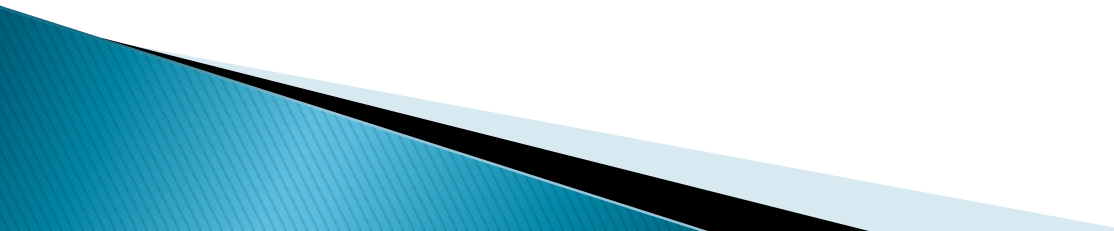
**6. What is a Medigap Supplement?**

Pays Part A deductibles/copays and Part B coinsurances

**7. How do I buy a Medigap?**


Health insurance agents or yourself

[www.idoi.in.gov/medigap](http://www.idoi.in.gov/medigap)



Well  
Done!

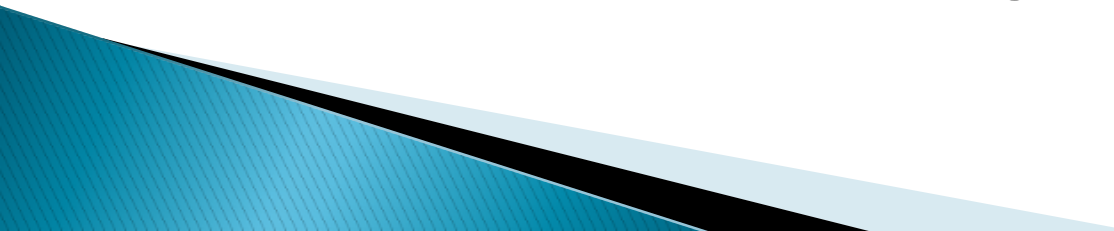
# MEDICARE PART D

- ▶ Coverage for prescription medications (over-the-counter not covered)
  - ▶ Voluntary but there is a Lifetime penalty (2021 – .31 per month x # of months) if a beneficiary does not have other “creditable” coverage and does not enroll in a Part D plan when eligible.
  - ▶ Must have Medicare Part A and/or B in order to enroll.
  - ▶ Plans are sold by private, Medicare approved Part D insurance companies
  - ▶ (30 plans in Indiana in 2021)
- 

# HOW DOES PART D WORK?

- ▶ Annual deductible is \$0 to \$445
- ▶ Monthly premiums range from \$7.30 to \$81.60
- ▶ After deductible is met, Plans pay at least 75%, you pay 25% or less

In 2021, once you and your plan have spent \$4,130, the “initial coverage limit” (not including monthly premium) you are now in the “donut hole” and you pay 25% for generics and 25% for brand name covered drugs.



## ▶ **WHEN DO I ENROLL?**

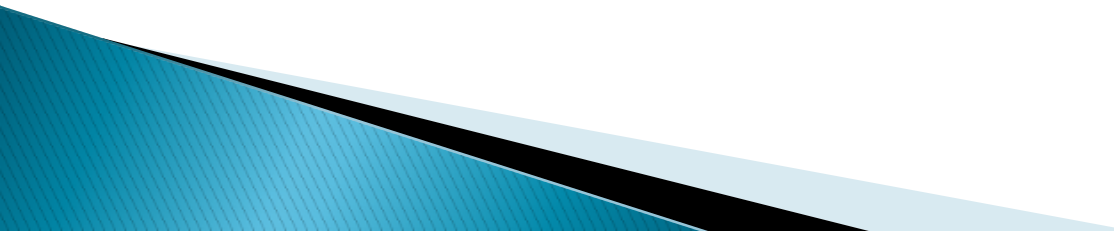
- Initial Enrollment Period
  - when you first Enroll in Medicare
- Annual Enrollment Period  
(October 15th –December 7th)
  - Enroll or switch plans
  - Coverage effective January 1st

## **HOW TO GET HELP?**

For more information or help:

- Visit [www.medicare.gov](http://www.medicare.gov) (Drug Plan Finder)
- Call 1-800-MEDICARE (1-800-633-4227)  
**Say “Agent!”**
- Call SHIP (State Health Insurance Program)  
**1-800-452-4800**

# INSULIN FOR \$35 A MONTH???

- ▶ Seniors who use insulin will be able to choose a plan in their area that offers insulin savings through the Part D Senior Savings Model and provides coverage of a broad set of insulins, each for no more than a \$35 copay per month.
- 

# Medicare Advantage Plans

## ▶ Original Medicare

- Part A (Hospital)
- Part B (Doctors etc.)
- Medigap/Supplements
- Part D Drug Plan

Now– bundle all 4 of these parts together and give to a private health insurance company

## ▶ Medicare Advantage

- Part C or MA
- Privatized Health insurance
- Regulated by Medicare

Monthly premium can be as low as \$0!



# Appendix A—What Are the Differences Between Original Medicare and Medicare Advantage?

## Original Medicare

☒ **Part A**



☒ **Part B**



You can add:

☐ **Part D**



You can also add:

☐ **Supplemental coverage**



This includes Medicare Supplement Insurance (Medigap). Or, you can use coverage from a former employer or union, or Medicaid.

**NOTE:** Medicare Supplement Insurance (Medigap) policies only work with Original Medicare.

## Medicare Advantage (Part C)

☒ **Part A**



☒ **Part B**



**Most plans include:**

☒ **Part D**



☒ **Extra benefits**

**Some plans also include:**

☐ **Lower out-of-pocket costs**

# Appendix A—Comparison Chart (Doctor & Hospital Choice)



## Doctor & hospital choice

Original Medicare	Medicare Advantage
You can go to <b>any doctor or hospital that takes Medicare</b> , anywhere in the U.S.	In many cases, you'll need to use <b>doctors and other providers who are in the plan's network and service area</b> for the lowest costs. Some plans won't cover services from providers outside the plan's network and service area.
In most cases, you <b>don't need</b> a <b>referral</b> to see a specialist.	You <b>may need</b> to get a referral to see a specialist.

# IT'S TIME FOR.....



# 1. WHAT IS MEDICARE PART D?

- Medicare coverage for prescription drugs

# 2. HOW DO I BUY A MEDICARE PART D?

- From insurance agent

or

[www.medicare.gov](http://www.medicare.gov) (Drug Plan Compare)

# 3. WHAT IS AN ADVANTAGE PLAN?

- Combines Medicare Parts A/B/D and some features of Medigap
- Sold by private health insurance companies.

# I'M STILL A LITTLE CONFUSED...

## ORIGINAL MEDICARE

- Costs more per month for Medigap
- Can go to any doctor or hospital, any time, anywhere in the US that accepts Medicare.
- No copays, no co-insurance and no surprises!
- No referrals for specialist
- Some Medigaps cover international travel

## MEDICARE ADVANTAGE

- ▶ Costs less per month
- ▶ Managed Care (networks and service areas)
- ▶ Co-pays and co-insurance for separate services.
- ▶ Referrals for specialists
- ▶ Cap on annual out-of-pocket can be \$6,000
- ▶ Most Advantage plans do not cover international care

DON'T FORGET TO DOWNLOAD OUR HANDOUTS AT  
[walorski.house.gov/medicare](http://walorski.house.gov/medicare)



- [www.medicare.gov](http://www.medicare.gov) (Drug Plan Compare)
- Call 1–800–MEDICARE (1–800–633–4227)

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Download today’s hand-outs at:  
**[walorski.house.gov/medicare](http://walorski.house.gov/medicare)**

Medigaps in Indiana: **[www.idoi.in.gov/medigap](http://www.idoi.in.gov/medigap)**

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