



NC DEPARTMENT OF
INSURANCE
SENIORS' HEALTH INSURANCE
INFORMATION PROGRAM

MEDICARE 101 THE BASICS

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Seniors' Health Insurance Information Program

Understanding Medicare

- **What is Medicare and who is eligible?**
- **Four Parts of Medicare: A, B, C & D**
- **Programs for People with Limited Income and Resources**

What is Medicare?

- Federally sponsored individual health plan providing coverage for medically necessary procedures and services.
- Medicare coverage requires copays, coinsurance and deductible payments that are the responsibility of the beneficiary (or other secondary insurance).

Who is Eligible?

- **Anyone age 65 or older who has participated in Social Security, Railroad Retirement System or employees of Federal, State or Local Governments or who spouse has participated.**
- **Individuals under age 65 that have been awarded Social Security or Railroad Retirement Disability after 24 months.**
- **Those disabled due to ALS (Lou Gehrig's Disease).**
- **Individuals with End Stage Renal Disease (ESRD).**

The 4 Parts of Medicare



**Part A
Hospital
Insurance**



**Part B
Medical
Insurance**



**Part C
Medicare
Advantage
Plans (like
HMOs/PPOs)
Includes Part A,
Part B and
sometimes Part
D coverage**



**Part D
Medicare
Prescription
Drug
Coverage**

What Does Original Medicare Cover?

Medicare Part A	Medicare Part B
<ul style="list-style-type: none">• Inpatient Hospital Coverage• Skilled Nursing Care in a facility (requires a minimum 3 day prior hospitalization)• Home Health Care• Hospice• Blood	<ul style="list-style-type: none">• Following services are generally covered at 80%✓ Physician Services✓ Outpatient Surgery and Services✓ Home Health Care✓ Durable Medical Equipment✓ Blood

Medicare benefits are administered by the Centers for Medicare and Medicaid Services (CMS) 1-800-633-4227



What is NOT Covered by Original Medicare

- **Outpatient Prescription Medications**
- **Routine Dental Care**
- **Routine Vision Care and Eyeglasses**
- **Hearing Aids**
- **Foreign Travel**
- **Cosmetic Procedures and Treatments**
- **Long Term Care**

What Does Original Medicare Cost?

Part A:

Most people qualify for premium-free Part A based on 40 quarters (equivalent to 10 years) of contribution to the Medicare system (paid through FICA taxes) by themselves or their spouse. For people with fewer than 40 quarters, Part A has a monthly premium.

What Does Original Medicare Cost?

Part B: The standard Part B monthly premium for 2022 is \$170.10. However, if you are single and your income is more than \$91,000, or if married and your income is more than \$182,000, you will pay more for your monthly premium.

Note: The Part B premium is typically automatically deducted from a person's monthly Social Security Retirement benefit.

Automatic Enrollment

- **If collecting Social Security Retirement Benefits prior to age 65.**
- **People under 65 entitled to Social Security Disability Benefits.**
 - **Beneficiary will receive Medicare card in the mail indicating automatic enrollment in Part A and Part B.**
 - **Beneficiary has the option to decline Part B coverage by returning the card to Social Security.**
- **Coverage will begin 1st day of birth month unless birthday is the 1st of the month, in which case coverage begins first day of preceding month.**

Initial Enrollment Period

- If turning 65 and not collecting Social Security Retirement benefits.
 - Seven month period to enroll into Medicare without penalty.



- Effective date for coverage will depend when enrollment occurs.

General Enrollment Period

- **For those that do not enroll during their Initial Enrollment Period, there is another opportunity to enroll each year.**
- **Begins January 1st and ends March 31st.**
- **Enrollments during this period will have coverage beginning July 1st.**
 - **Failure to enroll in Medicare when initially eligible may result in a 10% premium penalty for one's lifetime for each 12 month period not enrolled.**
 - **This is waived when Part B is delayed because of primary EGHP coverage**

Special Enrollment Period

- **If a beneficiary or their spouse are “actively” working, they may be able to delay enrolling into Medicare Part B.**
 - **The Medicare beneficiary or their spouse is actively working for an employer providing the group health insurance coverage.**
 - **For a beneficiary older than 65, the employer must have 20 or more employees.**
 - **For a beneficiary younger than 65 (disability), the employer must have 100 or more employees.**

Loss of Employer Coverage

- **Sign up for Part B and Part D as soon as you can**
- **Part B – you have an 8-month SEP to enroll without penalty**
 - The sooner you enroll in Part B, the sooner your coverage will begin
 - Enrolling in Part B also triggers your 6-month Medigap open enrollment period
- **Part D – you only have 63 days to enroll in Part D plan without penalty**
 - Your plan will begin the first of the month following the month you enroll

How Do I Enroll?

- **Medicare enrollment is handled by the Social Security Administration.**
- **Can be completed online at www.ssa.gov**
- **Call 1-800-772-1213**
- **Appointments can be made for local offices through the above toll-free number**

Medicare Supplement (Medigap Plans)

- **Standardized insurance plans designed to fill in the “gaps” in Medicare Part A and Part B coverage (deductibles, copayments, coinsurance, etc.).**
- **Plans are designated by letter codes (A, B, C, D, F, G, K, L, M, N).**
- **All plans cover a basic group of benefits, with plans each covering a different group of “gaps”.**
- **Coverage is the same from company to company, but premiums do vary.**

Secondary Coverage Options

- **Medicaid – low income individuals**
- **TRICARE for Life – Military retirees and dependents**
- **Federal and State plans for retirees and dependents**
- **Employer Group Health Plans**

Employer Group Plans for Medicare Eligibles

- **Some employers offer a variety of coverage options to retired employees.**
- **Come in many forms and can only be understood on an individual basis.**
- **Some plans offer cash payments allowing beneficiary to purchase their own coverage.**
- **Many employers are now offering sponsored Medicare Advantage Plans thus making the Medicare Advantage plan their primary coverage instead of Original Medicare.**
- **The only source of information on Employer coverage is the Employer Benefits Administrator.**

Part C – Medicare Advantage

- **Health plan options approved by Medicare**
 - **Another way to get your Medicare coverage**
 - **Still part of the Medicare Program**
 - **Run by private companies**
- **Medicare pays the plan an amount for each member's care**
- **May have to use network doctors or hospitals - ALWAYS check with your healthcare providers**
- **Types of plans available vary from county to county**

When and How Can You Enroll in a Medicare Advantage Plan?

- **Generally during the Initial Enrollment Period.**
- **During the yearly Open Enrollment Period of October 15th through December 7th.**
- **May be able to join at other times based on Special Enrollment Period.**
 - **Move to a different county or state**
 - **Qualify for Extra Help**

How They Work

Decision Comparison Summary: How They Work

Original Medicare	Medicare Advantage Plan (Part C)
<ul style="list-style-type: none">▪ Covers Part A and Part B benefits▪ Medicare provides this coverage directly▪ You have your choice of doctors and hospitals that are enrolled in Medicare and accepting new Medicare patients▪ Generally, you or your supplemental coverage pay deductibles and coinsurance▪ You usually pay a monthly premium for Part B	<ul style="list-style-type: none">▪ Covers Part A and Part B benefits and may cover additional benefits (like vision or dental)▪ Coverage provided by private insurance companies approved by Medicare▪ In most plans, you need to use plan doctors, hospitals, or other providers or you pay more or all of the costs▪ You may pay a monthly premium (in addition to your Part B premium) and a copayment or coinsurance for covered services

Part D – Medicare Prescription Drug Coverage

- **Anyone covered by Medicare (Part A and/or Part B) is eligible to join a Part D plan.**
- **Plans are sold by private insurance companies and require payment of monthly premiums.**
- **Each plan covers a group of prescription medications (formulary list) and typically have copayments for prescriptions and possibly an annual deductible.**
- **Plans and formulary lists may change annually.**

Part D – Extra Help Program

- **Financial assistance available for people with limited income and assets.**
 - **Eligibility is determined by the Social Security Administration**
- **Can reduce or eliminate monthly premiums, reduce prescription copayments, and provide a quarterly opportunity to make a change in their plan. Quarterly changes are available only during the first 3 quarters of the calendar year. All changes made the last quarter will become effective January 1 of the following year.**

When Can I Enroll in Part D Plan?

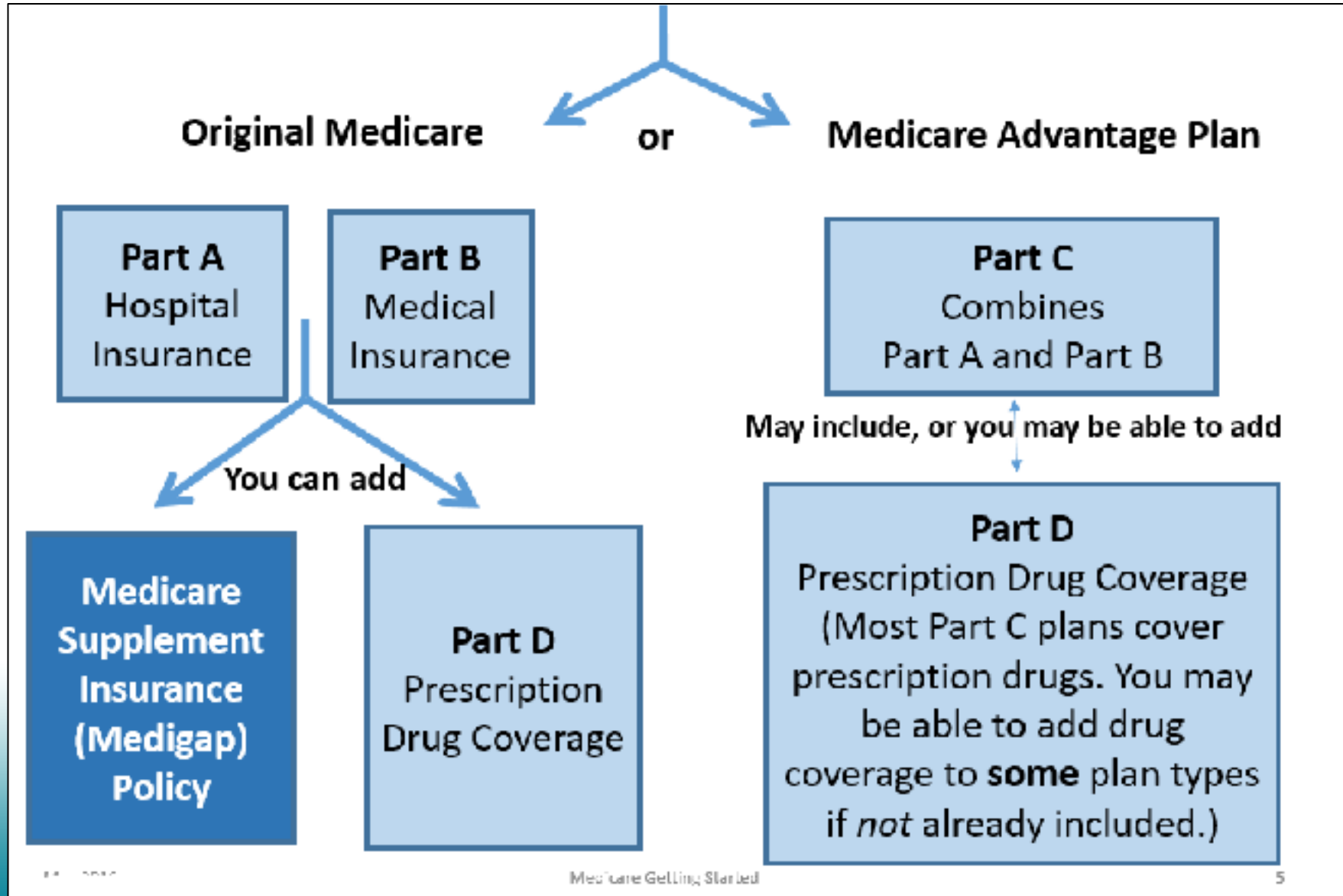
- **During your 7-month Initial Enrollment Period**
- **During the yearly Open Enrollment Period**
 - **October 15th – December 7th each year**
 - **Coverage begins on January 1st**
- **May be able to join at other times**
 - **Medicare Advantage Open Enrollment Period January 1 – March 31**
 - **Special Enrollment Period**
 - **For example, anytime you get Extra Help**

Differences between Medigap Plans and Medicare Advantage Plans

How Are Medigap Policies and Medicare Advantage (MA) Plans Different?

	Medigap (Medicare Supplement Insurance) Policies	MA Plans (Part C)
Offered by	Private companies	Private companies
Government Oversight	State, but must also follow federal laws	Federal (plans must be approved by Medicare)
Works with	Original Medicare	N/A
Covers	Gaps in Original Medicare coverage, like deductibles, coinsurance, and copayments for Medicare-covered services.	All Part A and Part B covered services and supplies. May also cover things not covered by Original Medicare, like vision and dental coverage. Most plans include Medicare prescription drug coverage.
You must have	Part A and Part B	Part A and Part B
Do you pay a premium?	Yes. You pay a premium for the policy and you pay the Part B premium.	Yes. You pay a premium for the plan and you pay the Part B premium.

Your Medicare Coverage Choices



Where Can You Get Help?

- **Seniors' Health Insurance Information Program (SHIIP)**
 - 1-855-408-1212 (toll free)
 - www.ncshiip.com
- **Social Security Administration**
 - 1-800-772-1213 (toll free)
 - www.ssa.gov
- **Medicare**
 - 1-800-633-4227 (toll free)
 - www.medicare.gov