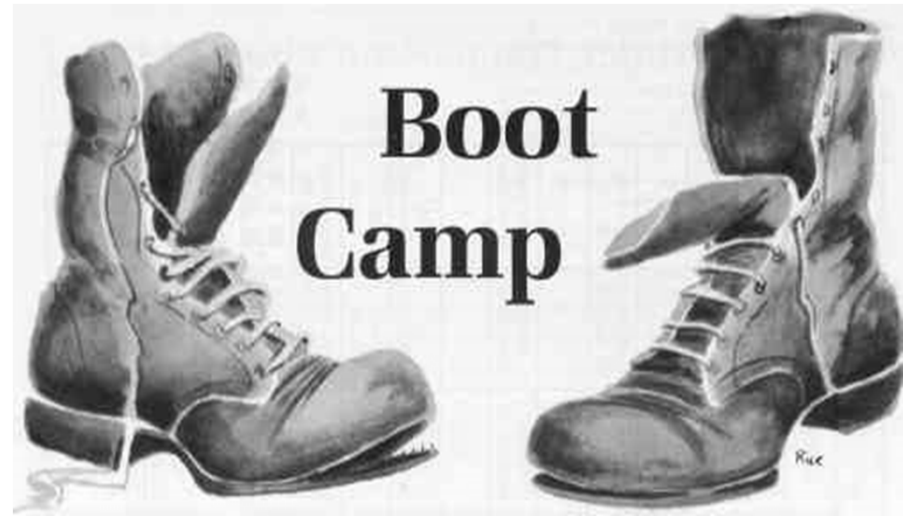


Medicare



Brought to you by the Missouri
Association of Area Agencies
on Aging (ma4).

www.ma4web.org

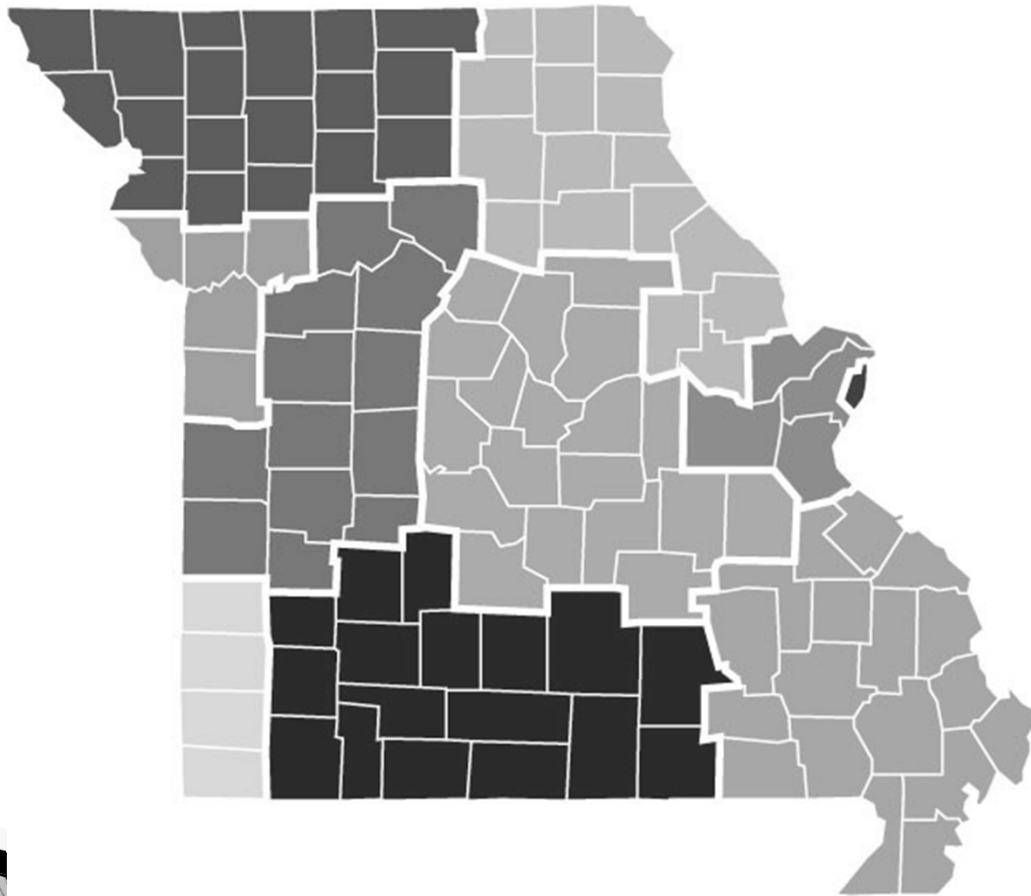
July/August 2014

Who is ma4?

The Missouri Association of Area Agencies on Aging (ma4) was founded in 1973 to serve as a statewide advocate and resource for older Missourians. MA4 is comprised of the state's 10 Area Agencies on Aging (AAA), which were created under the 1973 amendments to the Older American's Act of 1965.

ma4

Missouri
Association
of Area
Agencies
on Aging



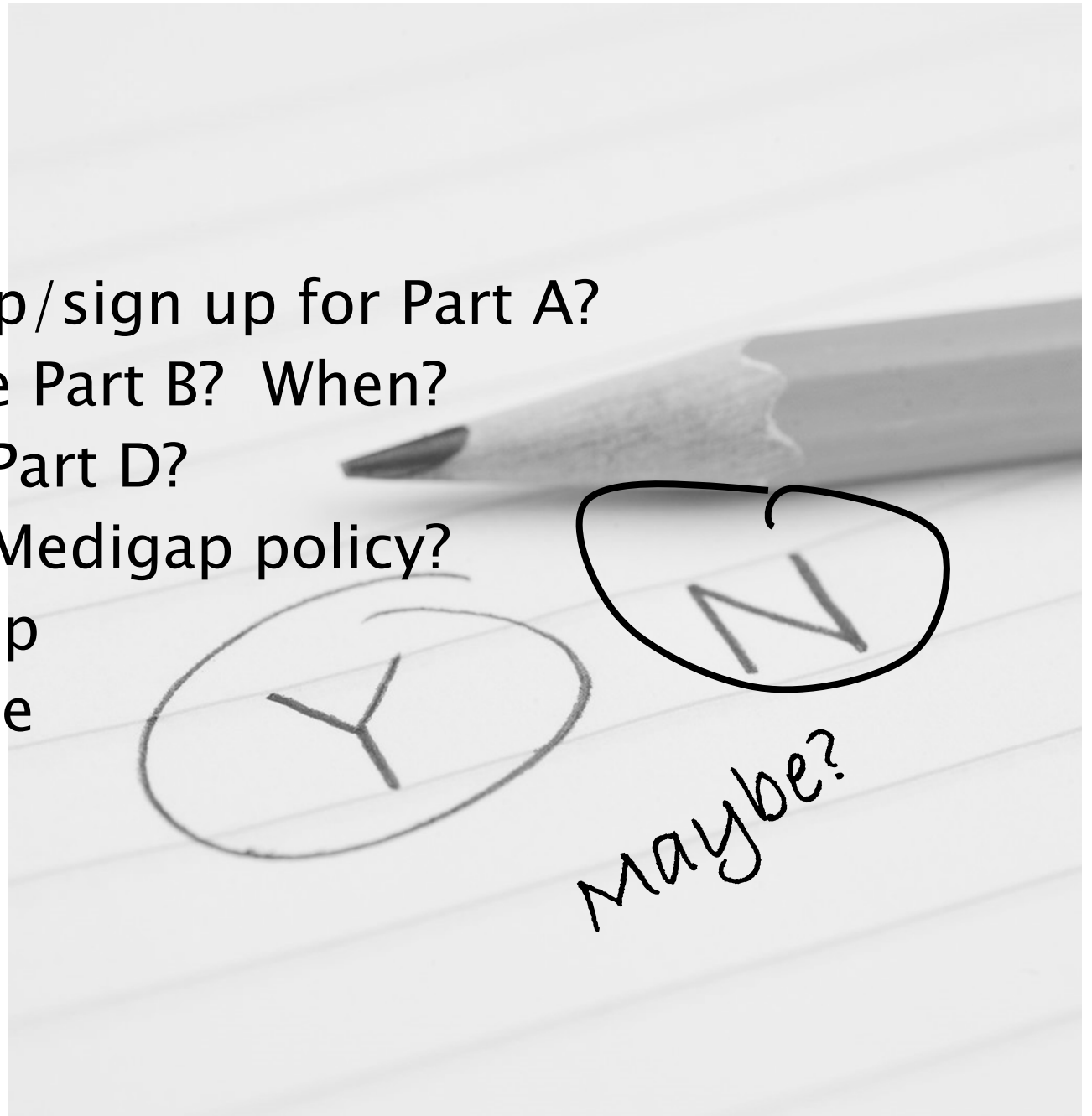
Welcome to Medicare

- ▶ This training includes
 - Basic information about Medicare
 - Important decisions you need to make
 - Your choices in health and prescription drug coverage
 - Including when to make decisions
 - To ensure coverage
 - To avoid penalties
 - Help with Medicare cost

Training materials were provided by the National Medicare Training Program and the Missouri Association of Area Agencies on Aging.

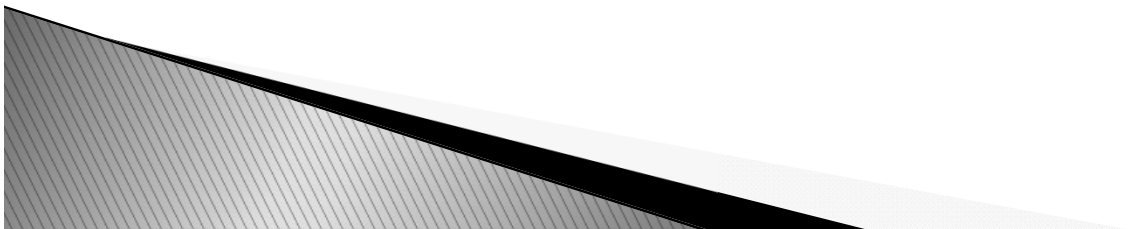
Decisions

- ▶ Should I keep/sign up for Part A?
- ▶ Should I take Part B? When?
- ▶ What about Part D?
- ▶ Do I need a Medigap policy?
- ▶ Can I get help with Medicare costs?

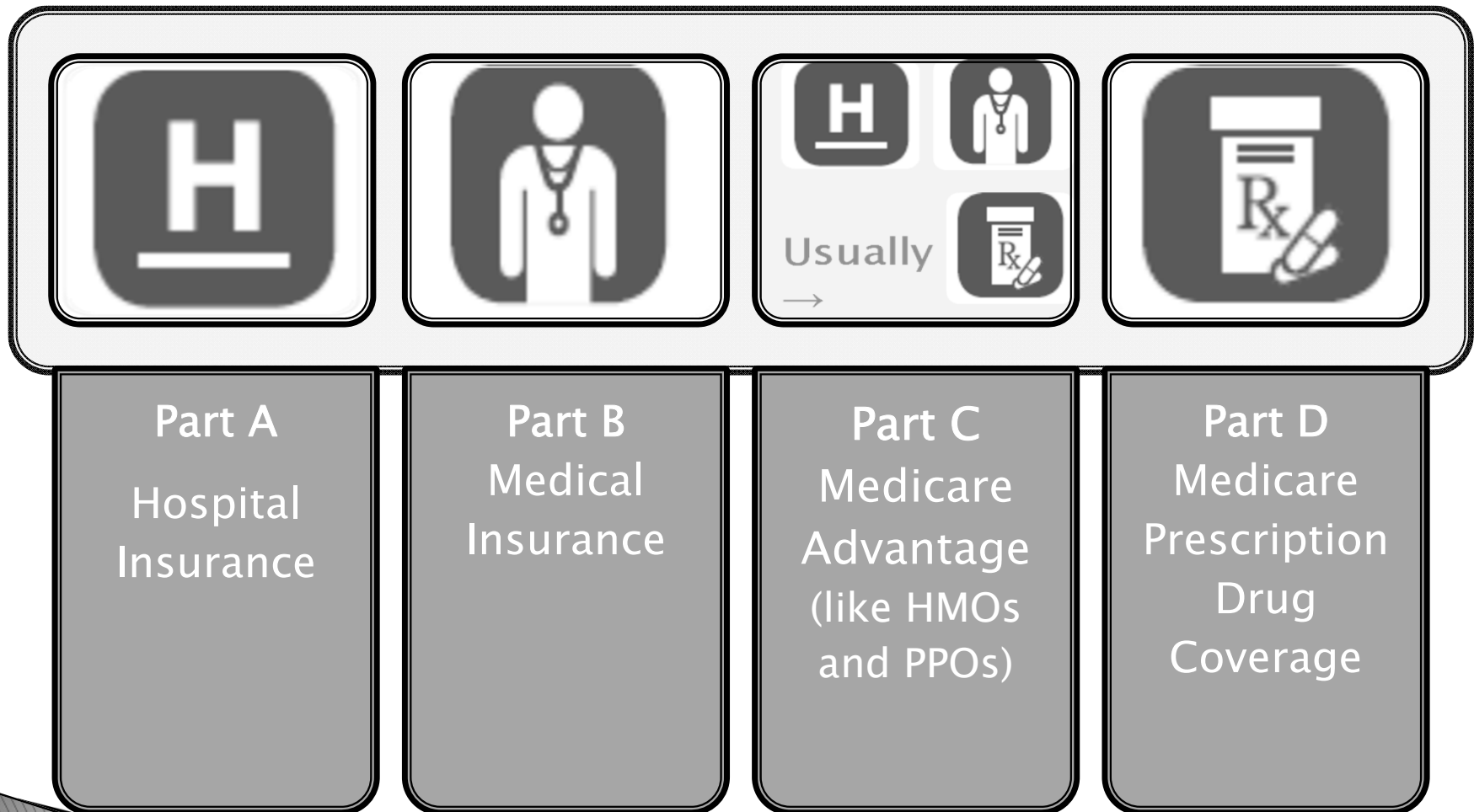


What is Medicare?

- ▶ Health insurance for three groups of people
 - 65 and older
 - Under 65 with certain disabilities
 - Any age with End-Stage Renal Disease (ESRD)
- ▶ Administration
 - Centers for Medicare & Medicaid Services (CMS)
- ▶ Enrollment
 - Social Security Administration (SSA) for most
 - Railroad Retirement Board (RRB) railroad retirees



The Four Parts of Medicare



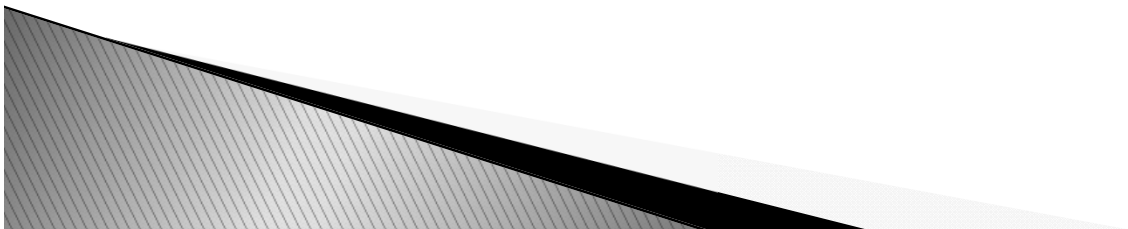
Original Medicare

- ▶ Part A – Hospital Insurance
 - “Inpatient” Hospitalization
 - Skilled Nursing Facility
 - Home health care
 - Hospice care
- ▶ Part B – Medical Insurance
 - “Observation” Hospitalization
 - Doctor’s visits
 - Outpatient hospital services
 - Clinical lab tests
 - Preventive services
 - Durable medical equipment



When to Enroll in Medicare

- ▶ You don't have to be retired
- ▶ Your initial enrollment period lasts 7 months
 - Begins three months before your 65th birthday
 - Includes the month you turn 65
 - Ends three months after you turn 65
- ▶ There are other times you may enroll
 - But you may pay a penalty if you delay enrolling



Enrolling in Medicare – Automatic

- Automatic for those receiving
 - Social Security benefits
 - Railroad Retirement Board benefits
- Initial Enrollment Period Package
 - Mailed 3 months before
 - 25th month of disability benefits
 - Age 65

Welcome to Medicare

Centers for Medicare & Medicaid Services

MEDICARE HEALTH INSURANCE

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

NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER
000-00-0000-A

SEX
FEMALE

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

SIGN HERE → *Jane Doe*

Medicare Card – Automatic

- Keep it and accept Medicare Parts A and B
- Return it to refuse Part B
 - Follow instructions on back of card

Front

MEDICARE		HEALTH INSURANCE	
1-800-MEDICARE (1-800-633-4227)			
NAME OF BENEFICIARY JANE DOE			
MEDICARE CLAIM NUMBER 000-00-0000-A		SEX FEMALE	
IS ENTITLED TO			
HOSPITAL MEDICAL		(PART A) 07-01-1986	
		(PART B) 07-01-1986	
SIGN HERE → <i>Jane Doe</i>			

Back

1. Carry your card with you when you are away from home.
2. Let your hospital or doctor see your card when you require hospital, medical, or health services under Medicare.
3. Your card is good wherever you live in the United States.

WARNING: Issued only for use of the named beneficiary. Intentional misuse of this card is unlawful and will make the offender liable to penalty. If found, drop in nearest U.S. Mail box.

CMS
Centers for Medicare & Medicaid Services
Baltimore, MD 21244-1850
Form CMS-1906 (01/2002)

If you have questions about Medicare, call 1-800-MEDICARE (1-800-633-4227) or visit us at www.medicare.gov.

I DO NOT WANT MEDICAL INSURANCE ☐ Check Here

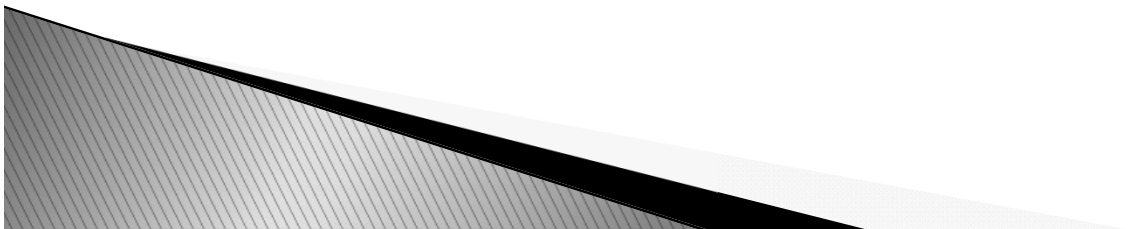
Written Signature (or Legal Representative)	
SIGN HERE	
Signature by Mark (X) Must Be Witnessed	
Signature of Witness	
Address of Witness	

If you DO NOT want Medical Insurance

1. Check the box above (top right), sign your name, and return the entire form in the enclosed envelope. Do NOT tear off the Medicare card. It would be improper to use it since you do not want Medical Insurance. You must return the form BEFORE the Medical Insurance effective date shown on the card.
2. Since you are entitled to Hospital Insurance even though you do not want Medical Insurance, we will send you a new card showing that you have Hospital Insurance only.

Enrolling in Medicare – Not Automatic

- ▶ Enrollment is not automatic
 - If you don't get Social Security or RRB benefits
 - For instance, you are still actively working
- ▶ Enroll with Social Security
 - Visit local office
 - Call 1-800-772-1213
 - Online at [socialsecurity.gov](https://www.socialsecurity.gov)
- ▶ If retired from Railroad enroll with RRB
 - Call your local RRB office or 1-877-772-5772



Decision

Should I keep/sign up for Part A?

YES

► Consider

- Get it automatically if getting Social Security/RRB
- Premium free for most people (must have 40 work credits)
- Can pay if work history is not sufficient
 - There may be a penalty if you delay
- Are you/your spouse actively working and covered by an employer group plan
 - Contact Social Security to sign up or go online to sign up

Decision

Should I keep/sign up for Part B?

- ▶ Automatic if getting Social Security/RRB benefits
 - Most people pay a monthly premium (depends on income)
 - Usually deducted from SS/RRB benefits
 - It may supplement employer coverage
 - Talk to your employer's benefits administrator
- ▶ You must have Part B
 - If you want to buy a Medigap policy
 - If you want to join a Medicare Advantage Plan
 - If you are eligible for TRICARE
 - If your employer coverage requires you have it
 - Talk to your employer's benefits administrator
- ▶ Optional with Veterans benefits
 - You will pay a penalty for signing up any time other during the initial enrollment period

Decision

Should I keep/sign up for Part B?

- ▶ If you don't have coverage from *active* employment **PROBABLY**
 - Yours or your spouses delaying Part B may mean
 - Higher premiums (due to penalty)
 - More out-of-pocket healthcare cost

- ▶ If you do have coverage through *active* employment **MAYBE NOT**
 - You can delay Part B without a penalty
 - No penalty if you enroll while you have coverage or within 8 months of losing coverage

What Do I Pay?

- ▶ 2014 Medicare Cost
 - In Original Medicare (Part A and Part B)
 - Make sure your doctor has a contract with Medicare
 - Make sure your doctor accepts “assignment”
 - In Medicare Advantage
 - First check with your doctor to see which MA plans they accept
 - Check with plan
 - In Medicare Prescription Drug Plans
 - Check with plan (use the Medicare Plan Finder)
- ▶ Costs change yearly



Participating doctors, Non-participating doctors, Medicare Assignment, and Opt-Out doctors

- ▶ Participating doctors
 - Submit claims to Medicare
 - Accept “assignment” which means they agree to accept the Medicare-approved amount as payment in full
 - You are only responsible for the coinsurance amount (after the deductible is met)
- ▶ Non-participating doctors
 - Submit claims to Medicare
 - Do not accept assignment can bill their Medicare patients up to 15% more than the Medicare’s official amount and request full payment from the patient up front for services
- ▶ Opt-Out doctors
 - They must officially opt out
 - They do not submit claims to Medicare
 - They can charge their Medicare patients whatever they want
 - They are not subject to the Medicare law that limits the amount providers may charge patients

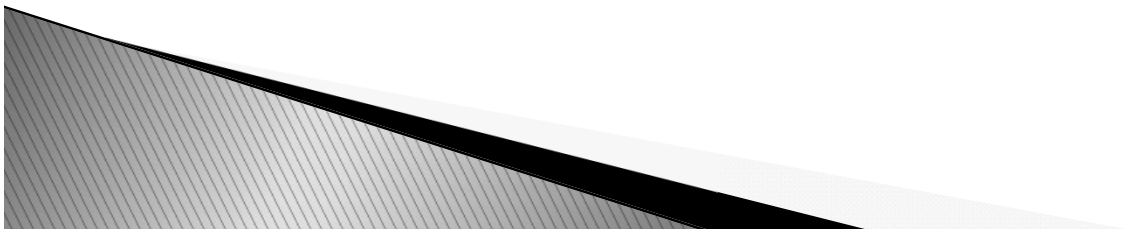
Employee Group Health Plans (EGHPs)

- ▶ Some employers may offer their active and/or retired employees coverage after they reach age 65 or have Medicare due to a disability.
- ▶ You may be a dependent on your spouses Employer coverage.
- ▶ EGHPs are normally secondary to Medicare .

ALWAYS discuss with your employers benefit administrator what your options are once you are eligible for Medicare.

What is Medigap?

- ▶ Policies sold by private companies
- ▶ Fill the gaps in Original Medicare
 - Deductibles, coinsurance, copayments
- ▶ Standardized plans in all but three states
 - Minnesota, Massachusetts, Wisconsin
- ▶ All plans of same letter have the same coverage
 - Only premiums are different



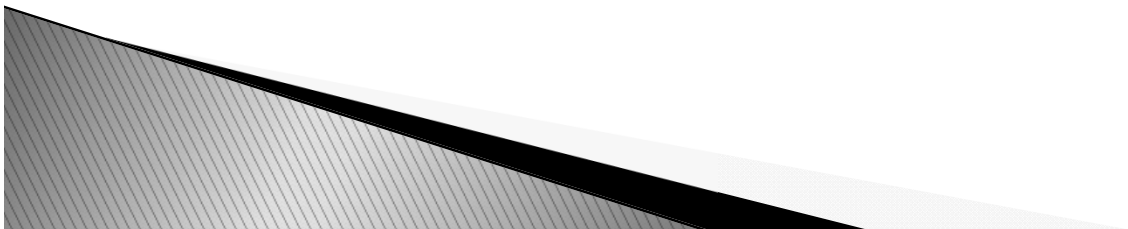
Decision

Do I need a Medigap policy?

MAYBE

► Consider

- Do you have Original Medicare?
 - Medigap doesn't work with Medicare Advantage
- Do you have other coverage that is secondary to Medicare?
 - For instance an Employee Group Health Plan
- Can you afford Medicare deductibles and copayments?
- How much will the monthly Medigap premium cost?



Decision

What is the best time to buy Medigap?

Usually during your **Medigap Open Enrollment Period**

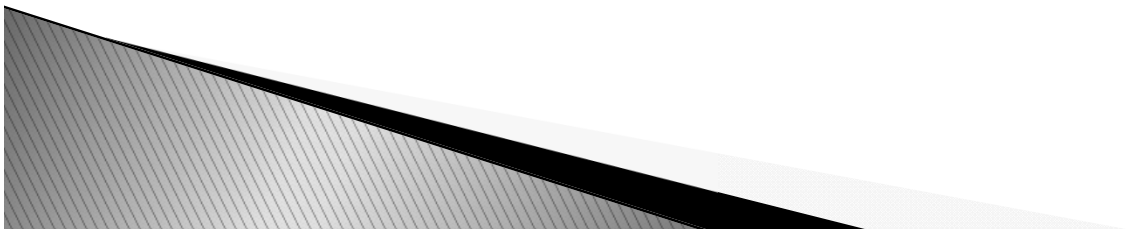
- Your Medigap Open Enrollment Period begins when you are enrolled in Part B
 - You must also be enrolled in Part A
 - You have 6 months from the time you enroll in Part B
 - You have protections – plans **MUST** sell you a policy during your open enrollment period
- You can buy a Medigap policy whenever a company agrees to sell you one
 - If later, there may be restrictions
 - You may be denied

Decision

Which Medigap policy do I buy?

- Your individual health care needs
 - Family history
 - Minimal coverage
 - Most comprehensive coverage
- The cost of each plan – be sure to shop

Let's look at the Missouri Medigap Shopping Guide that is provided with this workshop.



Decision

How do I find the right Medigap policy for me?

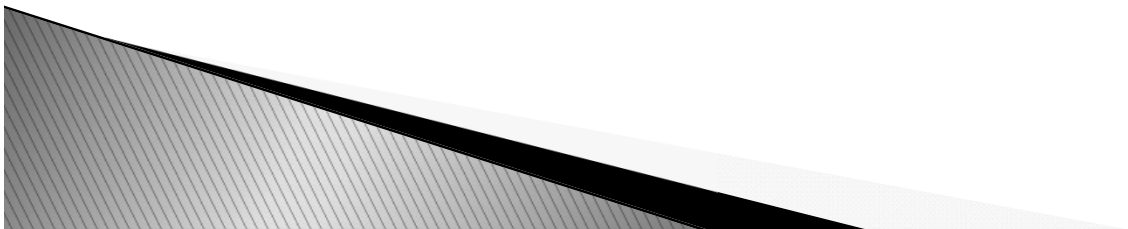
- ▶ Use the Missouri Medigap Shopping Guide
- ▶ The process
 - Choose the level of coverage you might want, for example Plan F and maybe a Plan C or maybe a Plan G, etc
 - Compare costs of the Plan you think you might want (at least three)
 - The coverage is the same – the premium will be different
- ▶ Call an insurance agent that sells Medigap policies
 - Individual agent
 - Insurance brokerage firm
 - Some financial advisors write Medigap policies

Department of Insurance, Financial Institutions & Professional Registration

For the most up-to-date estimated Rates, Companies, Medigap Shopping Guide and Consumer Complaint guide visit the Missouri Department of Insurance website at:

<http://insurance.mo.gov/consumers/seniors/srmedigap.php>

- Missouri Medigap Searchable Rate Guide
- 2014 Missouri Medigap Shopping Guide
- Consumer Complaint Index
- and other information



Part D – Medicare Prescription Drug Coverage

- ▶ Available for all people with Medicare
- ▶ Provided through
 - Medicare Prescription Drug Plans
 - Medicare Advantage Plans
 - Other Medicare plans
- ▶ Must include a range of drugs in each category
 - Minimum of two drugs in every drug category

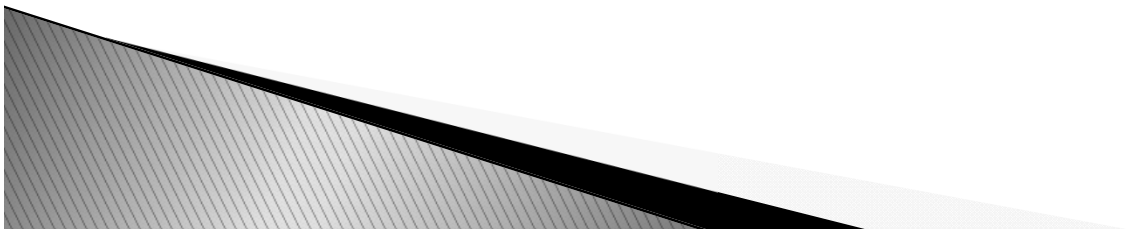


Who Can Join Part D, When can I join a Part D Plan?

- ▶ You must have Medicare Part A and/or Part B
- ▶ You must live in the plan's service area
- ▶ You can't live outside the U.S.
- ▶ You can't be incarcerated
- ▶ You must enroll in a Medicare Part D plan
 - In most cases no automatic enrollment
- ▶ Can join during 7 month initial enrollment period
- ▶ Can join during annual fall open enrollment
 - October 15 – December 7
 - Coverage starts January 1
- ▶ Can join during other special times

Medicare Drug Plan Cost

- ▶ Costs vary by Plan
- ▶ Most people will pay
 - A monthly premium
 - A yearly deductible
 - Copayments or coinsurance
- ▶ What the Affordable Care Act has done
 - Reduced the cost of brand-name drugs while in the donut hole
 - Reduced the cost of generic drugs while in the donut hole
 - Will continue reducing the cost each year until the donut hole is closed – 2020



Standard Structure in 2014

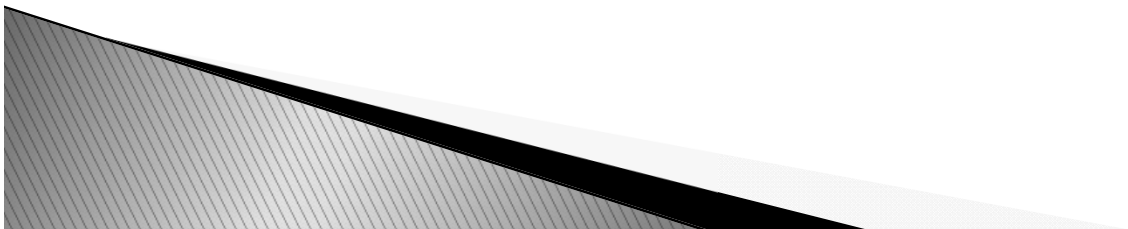
Ms Smith joins the ABC Prescription Drug Plan. Her coverage begins on January 1, 2014. She doesn't get Extra Help and uses her Medicare drug plan membership card when she buys prescriptions.

Monthly Premium – Ms Smith pays a monthly premium throughout the year.			
1. Yearly Deductible	2. Copayment or coinsurance (what you pay at the pharmacy)	3. Coverage gap (aka Donut Hole)	4. Catastrophic coverage
Ms Smith pays the first \$310 of her drug costs before her plan starts to pay its share.	Ms Smith pays a copay/co-insurance and her plan pays its share for each covered drug until their combined amount (plus the deductible) reaches \$2,850.	Once Ms Smith and her plan have spent \$2,850 for covered drugs, she's in the coverage gap. In 2014, she pays 47.5% of the plan's cost for her covered brand-name prescription drugs and 72% of the plan's cost for covered generic drugs. What she pays (and the discount paid by the drug company) counts as out-of-pocket spending, and helps her get out of the coverage gap.	Once Ms Smith's <u>total drug cost</u> (not just what she paid) has reached \$4,550 for the year, her coverage gap ends. Now she only pays a small coinsurance for each covered drug until the end of the year. The <u>greater</u> of 5% or \$2.65 for generic or \$6.60 for brand-name drugs

Decision

Should I enroll in a Part D plan?

- ▶ Do you have creditable drug coverage?
 - Coverage as good as Medicare's
 - For example through an employer plan
- ▶ Will that coverage end when you retire?
- ▶ What is the cost of drugs you currently take?
- ▶ What is the cost of premiums for Part D plans?
- ▶ You may pay a penalty if you don't take Part D when first eligible
 - Unless you have creditable coverage



Decision

How do I choose a Part D plan?

- ▶ Medicare Plan Finder (www.medicare.gov)
 - Enter your medications
 - Review restrictions
 - Compare plans
- ▶ Area Agency on Aging staff
- ▶ CLAIM (Missouri SHIP)
- ▶ 1-800-MEDICARE
- ▶ To join a Part D Plan
 - Call the plan
 - Complete a paper application with the plan
 - Enroll on the plan's Web site
 - Enroll on www.medicare.gov
 - Call 1-800-MEDICARE (1-800-633-4227)

Part C – Medicare Advantage

- ▶ Must be enrolled in both Medicare Part A and Part B
- ▶ Health plan options approved by Medicare
- ▶ Run by private companies
- ▶ Medicare pays amount for each member's care
- ▶ Another way to get Medicare coverage
- ▶ Part of the Medicare program
- ▶ May have to use network doctors or hospitals



Types of Medicare Advantage Plans

- ▶ Health Maintenance Organization (HMO) Plans
 - Most Restrictive
- ▶ HMO Point-of-Service (HMOPOS) Plans
 - May allow out-of-network services (at a higher cost sharing)
- ▶ Preferred Provider Organization (PPO) Plans
 - More flexible but still have a network
 - May allow out-of-network services (at a higher cost sharing)
- ▶ Private Fee-for-Service (PFFS) Plans
 - Designed for rural areas
 - Can go to any willing doctor
- ▶ Special Needs Plans (SNP)
 - Designed for beneficiaries in a Skilled Nursing Facility, Dual Eligible individuals, individuals with specific chronic diseases (a few examples: chronic heart failure, COPD)
 - These plans are subject to more oversight by CMS
- ▶ Medicare Savings Account (MSA) Plans
 - Combine high deductible plan with bank account
 - Medicare deposits money into account
 - Use money to pay for services

Not all types of plans are available in all areas



When can I enroll in a MA plan, how do I enroll in a MA plan?

- ▶ During 7 month initial enrollment period
- ▶ Can join during annual fall open enrollment
 - October 15 – December 7 each year
 - Coverage begins January 1
- ▶ May be able to join during other special times
- ▶ Area Agency on Aging staff
- ▶ CLAIM (Missouri SHIP) 1-800-390-3330
- ▶ 1-800-MEDICARE
- ▶ Contact the plan to join or enroll online using the Medicare Plan Finder at www.medicare.gov

How Medicare Advantage Works

- ▶ Still in Medicare with all rights and protections
- ▶ Still get Part A and Part B services
- ▶ Plan may include prescription drug coverage
- ▶ May include extra benefits like vision or dental
- ▶ Benefits and cost-sharing will be different from Original Medicare and among the different types of MA plans



Usually
→



Decision

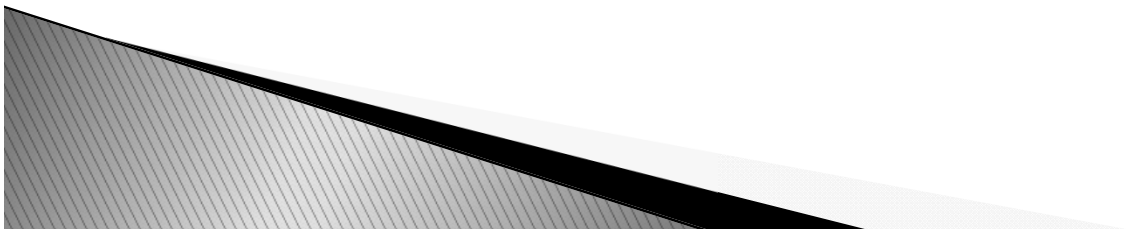
Do I want to join a Medicare Advantage Plan?

► Consider

- Most offer comprehensive coverage
 - Including Part D drug coverage
- May require you to use a network
- You must pay monthly premium to plan
 - Still must pay Part B premium
- May need a referral to see a specialist
- Can only join/leave plan during certain periods
- Doesn't work with Medigap policies
- Must have Part A and Part B to join

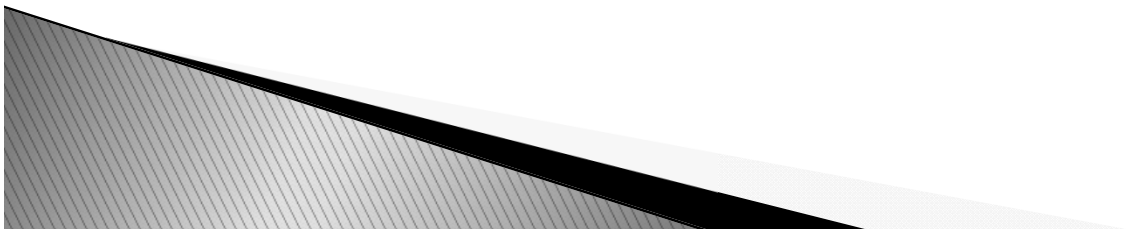
What help is there for people with limited income and resources?

- ▶ Medicaid
- ▶ Extra Help
- ▶ Medicare Savings Programs
- ▶ Missouri Rx



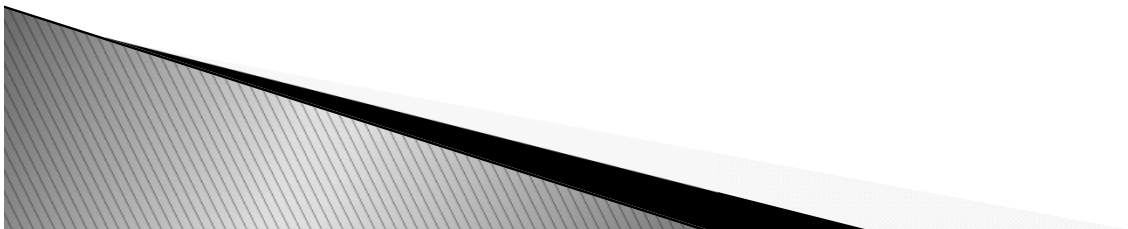
What is Medicaid?

- ▶ Federal–state health insurance program
 - For people with limited income and resources
 - Certain people with disabilities
- ▶ Most costs covered for Medicare/Medicaid
 - Called “dual eligible”
- ▶ Eligibility determined by state
- ▶ Application processes and benefits vary
- ▶ Missouri Medicaid is known as MO HealthNet
- ▶ Apply if you MIGHT qualify



What is Extra Help? (aka LIS)

- ▶ Help paying prescription drug costs
- ▶ Social Security or state makes determination
- ▶ Some groups automatically qualify
 - People with Medicare and Medicaid (dual eligible)
 - Supplemental Security Income (SSI) only
 - Medicare Savings Programs
- ▶ You or someone on your behalf can apply
 - Area Agency on Aging
 - CLAIM (Missouri SHIP)



Extra Help Eligibility

effective April 1, 2014

	Income	Resources (Assets)
Single, widowed, divorced or living apart from spouse	\$17,505/yr (\$1,459/mo)	\$13,440
Couple (married, living together)	\$23,595/yr (\$1,966/mo)	\$26,860

- ▶ Income can be higher if supporting other family members, living with you
- ▶ Income from wages is only partially counted and, there is an “earned” income exclusion
- ▶ A “general” income exclusion applies to all applications.

What are Medicare Savings Programs?

- ▶ Help from Medicaid paying Medicare costs
 - Pay Medicare premiums
 - May pay Medicare deductibles and coinsurance
- ▶ Often higher income/resource guidelines
- ▶ Income amounts change each year

- ▶ Apply for a Medicare Savings Program at the Family Support Division
 - Area Agency on Aging or CLAIM (Missouri SHIP) can assist you with completing the application

Medicare Savings Programs

effective April 1, 2014

Medicare Savings Program	Individual	Couple
Qualified Medicare Beneficiary (QMB)	\$973/mo (\$11,676/yr)	\$1,311/mo (\$15,732/yr)
Specified Low-income Medicare Beneficiary (SLMB)	\$1,167/mo (\$14,004/yr)	\$1,573/mo (\$18,876/yr)
Qualified Individual -1 (QI1 or SLMB-2)	\$1,313/mo (\$15,756/yr)	\$1,770/mo (\$21,240/yr)
Resource (assets) Limit	\$7,160	\$10,750

- ▶ These amounts are adjusted each year when the Federal Poverty Level (FPL) is adjusted.

Missouri Rx (MoRx)

The Missouri Rx program works with Medicare Part D prescription drug plans to help seniors and persons with disabilities save money on prescription drugs.

MoRx pays 50% of your out-of-pocket costs on medications that are covered by your Medicare Part D prescription drug plan.

This means you will save:

- 50% on your deductible

- 50% on your copays

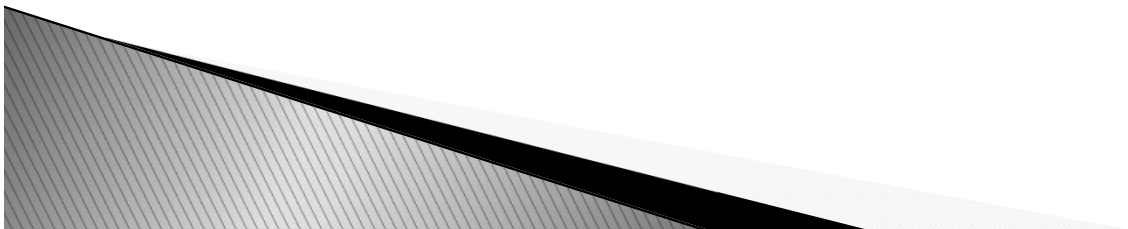
- 50% during the coverage gap and beyond

MoRx **does not** cover any portion of your Part D prescription drug plan monthly premium.



How you qualify for MoRx

- ▶ A Missouri Resident
- ▶ In a Medicare Part D prescription drug plan (can be an employer-sponsored Medicare Part D plan)
- ▶ Single – with a an annual gross household income of \$21,660 or less (\$1,805/mo), or
- ▶ Married – with annual gross household income of \$29,140 or less (\$2,428/mo)
- ▶ MoRx does not consider your resources(assets) for eligibility



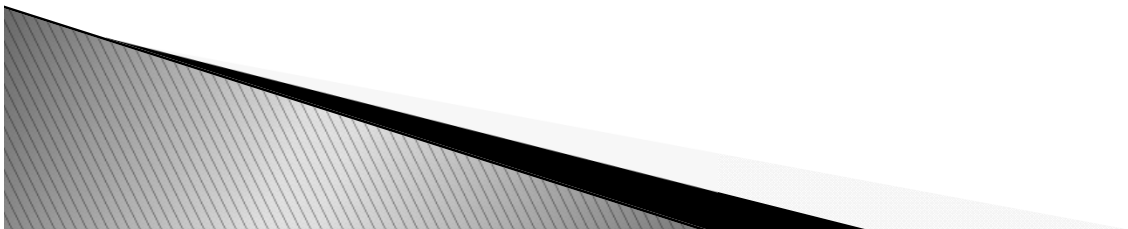
About MoRx

- ▶ MoRx is FREE
- ▶ MoRx will cover any drug that your Part D plan covers. If the drug is not covered by your Part D plan, MoRx, will not cover it
- ▶ MoRx covers up to a 31-day supply for each prescription. MoRx does not cover 90-day supplies.
- ▶ You can use any Missouri pharmacy that works with your Part D plan.
- ▶ MoRx does not cover mail order services.

About MoRx

- ▶ You or someone on your behalf can apply
 - Area Agency on Aging
 - CLAIM (Missouri SHIP)

- ▶ Applications are available at:
<http://www.morx.mo.gov/pdf/morxapp-en.pdf>
 - The application is a fill and print format, or
 - Call MoRx at 800-375-1406 for a paper application

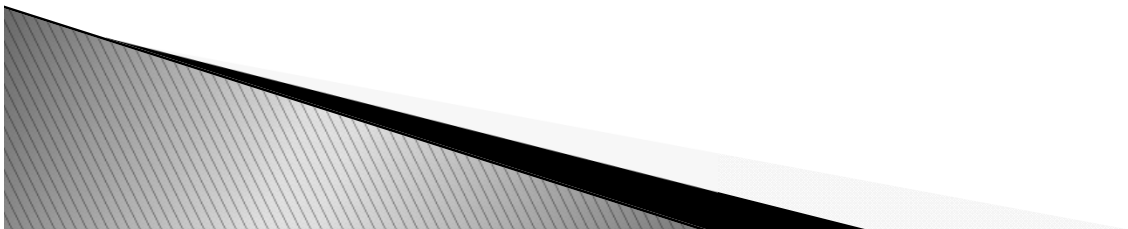


Decision

Should I apply for these programs?

YES

- ▶ Apply if you MIGHT qualify
- ▶ Your Area Agency on Aging office or CLAIM (Missouri SHIP) can help you



Missouri Senior Medicare Patrol



Funded through the Department of Health
and Human Services Administration on Aging

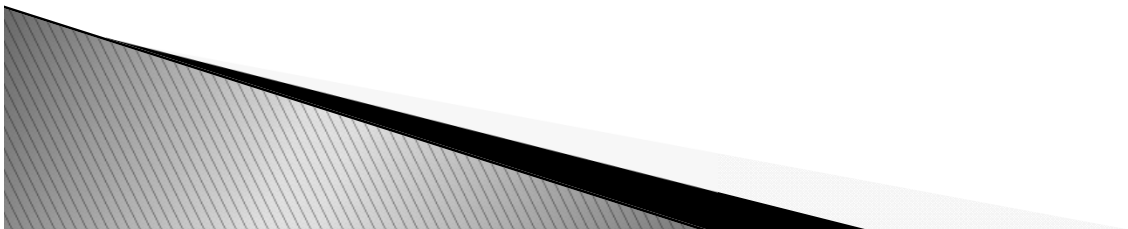
About the Missouri SMP

Goals

- ❖ Train SMP Volunteers
- ❖ Educate and counsel older adults, their families and the community on Medicare/Medicare fraud and abuse

SMP Specialists

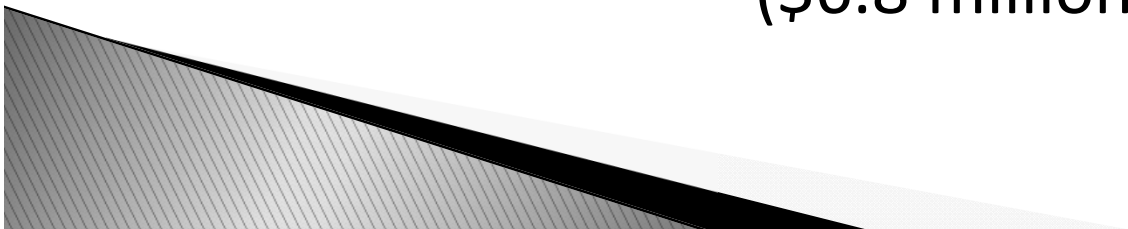
- ❖ Volunteers
- ❖ 2-day Training
- ❖ Provide education, advocacy, and counseling to individuals, their families and the general public.



Services Provided Free of Charge

- ☑ Screening for possible fraud and abuse of the Medicare/Medicaid programs
- ☑ Billing assistance and appeals process
- ☑ Explanation of coverage
- ☑ Policy Comparisons

Most recently there has been \$60 billion lost annually to Medicare and Medicaid through fraud and abuse (\$6.8 million/hr)



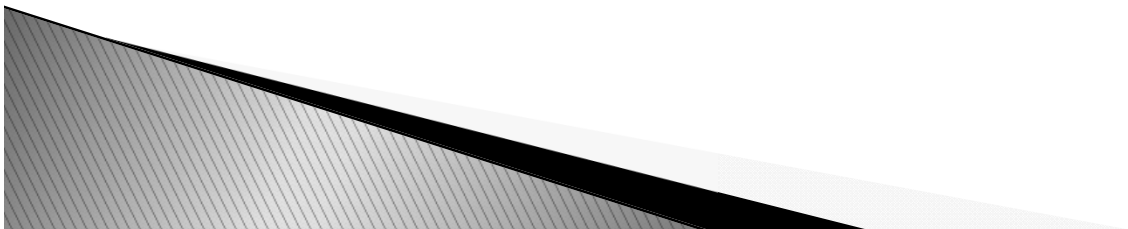
How Do We Make a Difference?

Be a Smart Consumer

Avoid offers of “free medical tests in exchange for a peek at your Medicare card”.

Remember that Medicare does not offer “free services” nor does it employ “Medicare Salespeople” or “doctors who make house-calls”.

Beware of advertising that promises Medicare will pay for certain care or devices at no cost to you.



Smart Consumer Tips

Always use your Medicare card whenever you receive care and/or supplies.

Do not give out your Social Security or Medicare number over the phone to anyone.

Review your Explanation of Benefits or Medicare Summary Notice. Look at the type and the number of services provided. Also, review the dates of services billed.

Always count your medication to make sure you received the amount prescribed.



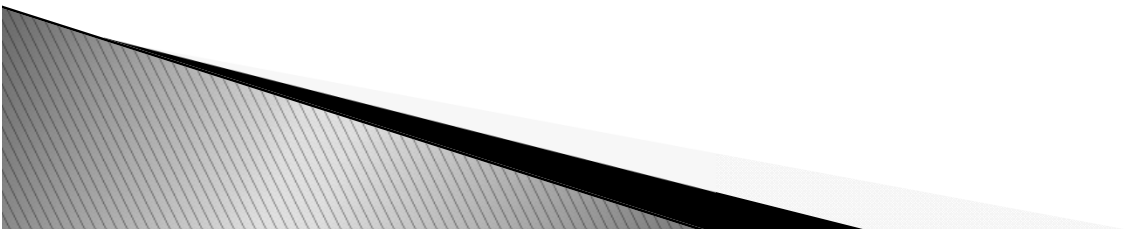
Ask Questions If...

...**You do not** understand the charges.

...**You did not** receive the service billed.

...**You feel that** Medicare has paid the provider for more services than you received.

...**You feel that** Medicare has paid the provider for services that were not needed.



Who Can I Contact if I Want to Volunteer or Ask Questions?

The Missouri SMP

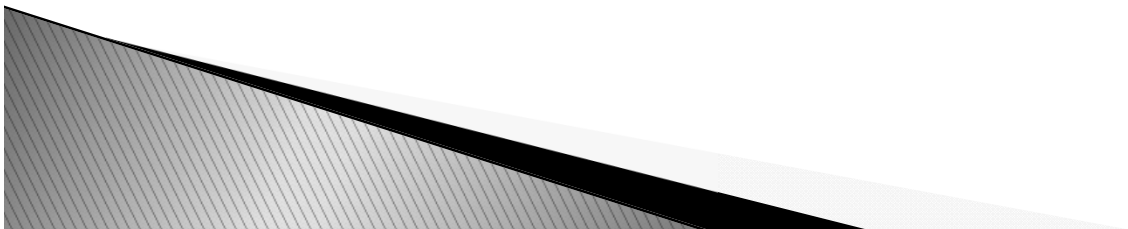
660-747-5447

1-888-515-6565 (Toll-free)



Key Points to Remember

- ▶ Medicare is a health insurance program
- ▶ It does not cover all of your health care costs
- ▶ There are other ways to get coverage within the program
- ▶ Important
 - Make the right decisions
 - Make them at the right times
 - Get help if you need it
- ▶ Watch for Fraud and Abuse



More Information

- ▶ Medicare & You Handbook
- ▶ Other CMS publications
- ▶ 1-800-MEDICARE
- ▶ Medicare.gov (www.medicare.gov)
- ▶ National Training Program
www.cms.gov/Outreach-and-Education/Training/CMSNationalTrainingProgram/index.html
- ▶ Your local Area Agency on Aging
- ▶ Your CLAIM (Missouri SHIP) counselor



The logo for the Missouri Association of Area Agencies on Aging, featuring the lowercase letters 'ma' in a serif font followed by the number '4' in a sans-serif font.

Missouri
Association
of Area
Agencies
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To find your local Area
Agency on Aging

www.ma4web.org/contact