ALASKA ship state health insurance assistance programs

LOCAL HELP FOR PEOPLE WITH MEDICARE

Medicare 101: its moving parts

State of Alaska
Department of Health and Social Services
Division of Senior and Disabilities Services
Alaska's SHIP – State Health Insurance Assistance Program

CMS

Alaska's Medicare Resource

Medicare Information Office

SHIPs – what we do

One-on-one Medicare counseling

Community outreach and education

SMP – Senior Medicare Patrol

Prevention of Medicare error, waste, fraud and abuse

Alaska's SHIP/SMP

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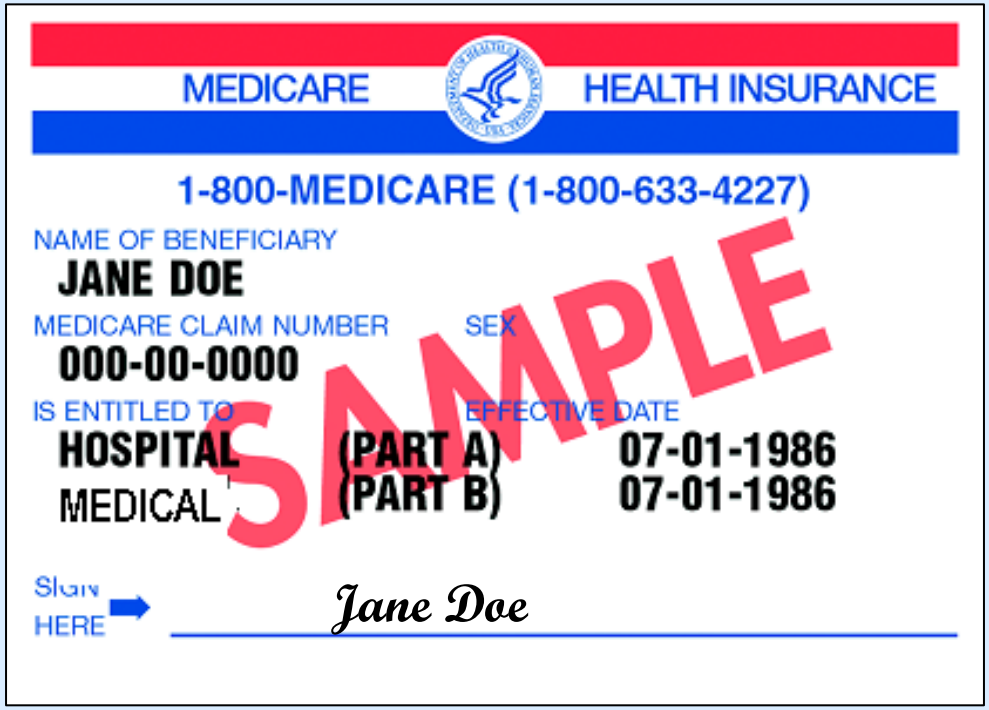
Tollfree in Alaska 800-478-6065

Volunteer counselors throughout Alaska

What Is Medicare?

- A health insurance program for
  - People 65 years of age and older
  - People under age 65 with certain disabilities
  - People 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)

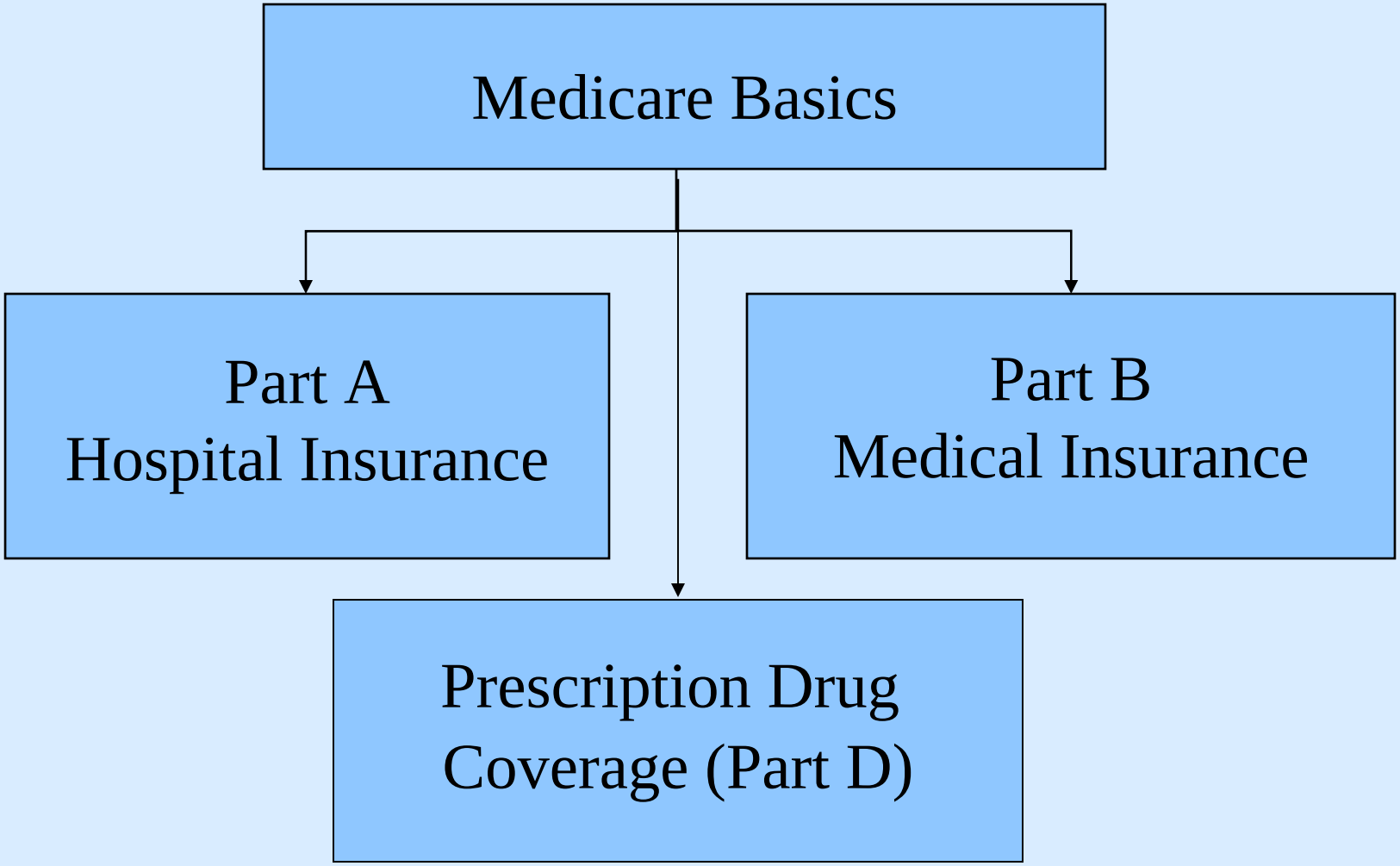
The Medicare Card



Medicare 101

- Introduction to Medicare
- Original Medicare Plan
- Medicare Supplement Insurance (Medigap)
- Medicare Advantage and other Medicare plans
- Medicare prescription drug coverage
- Medicaid and Medicare Savings Programs

Medicare


Medicare Basics
Part A
Hospital Insurance
Part B
Medical Insurance
Prescription Drug
Coverage (Part D)

Medicare Coverage Basics

Part A	■ Inpatient hospital care ■ Skilled nursing care ■ Home health care ■ Hospice care
Part B	■ Doctors' services and outpatient care ■ Preventive services ■ Diagnostic tests ■ Some therapies ■ Durable medical equipment
Part D	■ Outpatient prescription drugs

Enrolling in Part A and Part B

- Enroll at local Social Security office
  - Doctor or dialysis facility will need to complete Form CMS-2728
- May want to delay enrolling **if covered by employer group health plan (EGHP)**
- Get the facts before deciding to delay
  - Especially if transplant is planned

Applying for Medicare

- Apply 3 months before age 65
  - Don’t have to be retired
  - Contact the Social Security Administration
- Enrollment automatic if receiving Social Security or Railroad Retirement benefits

Medicare Part A

- Most people receive Part A premium free
- People with less than 10 years of Medicare-covered employment
  - Can still get Part A
    - Will pay a premium
- For information about Part A entitlement
  - Call SSA
    - 1-800-772-1213
    - TTY users call 1-800-325-0778

Enrolling in Medicare Part B

- Pay monthly Part B premium
  - $96.40 in 2009
- Initial Enrollment Period (IEP)
  - 7 months starting 3 months before month of eligibility
- General Enrollment Period (GEP)
  - January 1 through March 31 each year
  - Coverage effective July 1
  - Premium penalty
    - 10% for each 12-month period eligible but not enrolled
    - Paid for as long as the person has Part B
    - Limited exceptions

Enrolling in Medicare Part B

- Some people can delay enrolling in Part B with no penalty
  - If covered under employer or union group health plan
    - Based on current employment
      - Person or spouse
    - Will get a Special Enrollment Period (SEP)
      - Sign up within 8 months after coverage ends

Paying the Part B Premium

- Taken out of monthly payments
  - Social Security
  - Railroad retirement
  - Federal government retirement
- For information about premiums
  - Call SSA, RRB, or Office of Personnel Management
- If no monthly payments
  - Billed every 3 months
  - Medicare Easy Pay

Original Medicare Plan

- Go to any health care provider that accepts Medicare
- People are responsible for
  - Part A
    - $1,068 deductible in 2009 for hospital stays up to 60 days
      - Additional costs after 60 days
    - Different costs for other Part A services
  - Part B
    - $135 annual deductible in 2009
    - 20% coinsurance or copayment for most Part B services
- Some programs may help with costs

Medigap

- Health insurance policy
  - Sold by private insurance companies
  - Must say “Medicare Supplement Insurance”
  - Covers “gaps” in the Original Medicare Plan
    - Deductibles, coinsurance, copayments
    - Does not work with Medicare Advantage Plans
  - Up to 12 standardized plans A – L
    - Except in Massachusetts, Minnesota, Wisconsin
    - So people can compare easily

How Medigap Works

- People can buy a Medigap policy
  - Within 6 months of enrolling in Part B
    - Must be age 65 or older
  - If they lose certain kinds of health coverage
    - Through no fault of their own
  - If they leave MA Plan under certain circumstances
  - Whenever the company will sell them one
- Monthly premium
- Generally go to any doctor or specialist

Medicare Advantage Plans

- Health Maintenance Organization (HMO) Plans
  - Some have Point-of-Service option
- Preferred Provider Organization (PPO) Plans
  - Regional PPOs new in 2006
- Private Fee-for-Service (PFFS) Plans
- Special Needs Plans
- Medicare Medical Savings Account (MSA) Plans
  - Began in 2007

Eligibility for MA Plans

- Live in plan's service area
- Entitled to Medicare Part A
- Enrolled in Medicare Part B
  - Continue to pay Part B premium
  - May also pay monthly premium to plan
- Don't have ESRD at enrollment
  - Some exceptions

Medicare Prescription Drug Coverage

- Coverage began January 1, 2006
- Available to all people with Medicare
- Provided through
  - Medicare Prescription Drug Plans
  - Medicare Advantage and other Medicare plans
  - Some employers and unions

Enrollment Periods

- Initial Enrollment Period (IEP)
  - 7 months
  - Starts 3 months before month of eligibility
- Annual Coordinated Election Period (AEP)
  - November 15 through December 31 each year
  - Can join, drop, or switch coverage
    - Effective January 1 of following year
- Special Enrollment Period (SEP)

Late Enrollment

- People who wait to enroll may pay penalty
  - Additional 1% of national base premium for every month eligible but not enrolled
  - Must pay the penalty as long as enrolled in a Medicare drug plan
- Unless they have other coverage at least as good as Medicare drug coverage
  - “Creditable coverage”

Prescription Drug Plans

- At a minimum, must offer standard benefit
  - In 2009 members may pay
    - Monthly premiums
    - Annual deductible, no more than $295
    - Copayments or coinsurance
    - Very little after $4,350 out-of-pocket
- May offer supplemental benefits
- Plan information and costs available
  - www.medicare.gov
  - 1-800-MEDICARE (1-800-633-4227)

Coverage gap aka donut-hole

- Once you reach $2,700 in total drug costs, you will be in the donut hole and you must pay the full cost of prescription drugs until your total out-of-pocket cost reaches $4,350. This annual out-of-pocket spending amount includes your yearly deductible and copay amounts.
- When you spend more than $4,350 out-of-pocket, the coverage gap ends and your drug plan pays most of the costs of your covered drugs for the remainder of the year. You will be responsible for a copay of $2.40 for each generic drug and $6.00 for other drugs. This is known as catastrophic coverage.

Extra Help With Drug Costs

- Available for many people with limited income and resources
  - Income limit in 2009
    - $1,691/month individual)
    - $2,276.25/month (married couple)
  - Resource limit
    - $12,510 (individual)
    - $25,010 (married couple)

Extra Help With Drug Costs

- People with lowest income and resources
  - Pay no premiums or deductibles
  - Have small or no copayments
- Those with slightly higher income and resources
  - Pay no or a reduced premium
  - Have a reduced deductible
  - Pay a little more out of pocket

Eligibility for Extra Help

- Some people may automatically qualify
  - People with Medicare who
    - Get full Medicaid benefits
    - Get Supplemental Security Income (SSI)
    - Get help from Medicaid paying Medicare premiums
- Others must apply and qualify

Medicaid

- Joint Federal and state program
  - For some people with limited income and resources
- If eligible, most health care costs covered
- Eligibility determined by state
- Application processes vary
- Office names vary
  - Social Services
  - Public Assistance
  - Human Services

Other Savings Programs

- Medicare Savings Programs
  - Help from Medicaid paying Medicare expenses
  - For people with limited income and resources
  - May also pay deductibles and coinsurance
- State-specific programs
- PACE

TIPS to prevent Medicare fraud

- **DOs**
  - **DO** protect your Medicare Number (on your Medicare card). Treat your Medicare card like it is a credit card. Don't ever give it out except to your doctor or other Medicare provider. Never give your Medicare or Medicaid number in exchange for free medical equipment or any other free offer. Dishonest providers will use your numbers to get payment for services they never delivered.
  - **DO** remember that nothing is ever "free." Don't accept offers of money or gifts for free medical care.
  - **DO** ask questions! You have a right to know everything about your medical care including the costs billed to Medicare.
  - **DO** educate yourself about Medicare. Know your rights and know what a provider can and can't bill to Medicare.
  - **DO** use a calendar to record all of your doctor's appointments and what tests or X-rays you get. Then check your Medicare statements carefully to make sure you got each service listed and that all the details are correct.
  - **DO** be cautious of any provider or plan representative who says he has been approved by the Federal government.
  - **DO** be wary of providers who tell you that the item or service isn't usually covered, but they "know how to bill Medicare" so Medicare will pay.
  - **DO** make sure you understand how a plan works before you join.

TIPS to prevent Medicare fraud

- Don’ts
  - **DON’T** allow anyone, except your doctor or other Medicare providers, to review your medical records or recommend services.
  - **DON’T** contact your doctor to request a service that you don’t need. Don’t let anyone persuade you to see a doctor for care or services you don’t need.
  - **DON’T** accept medical supplies from a door-to-door salesman. If someone comes to your door claiming to be from Medicare or Medicaid, remember that Medicare and Medicaid don’t send representatives to your home.
- **DON’T** be influenced by certain media advertising about your health. Many television and radio ads don’t have your best interest at heart.

For More Information

- 1-800-MEDICARE (1-800-633-4227)
  - TTY users call 1-877-486-2048
- www.medicare.gov
- www.cms.hhs.gov
- State Health Insurance Assistance Program (SHIP)
- *Medicare & You* handbook
  - Other publications

Summary

- Medicare coverage
- Original Medicare Plan
- Medicare Supplement Insurance (Medigap)
- Medicare Advantage and other Medicare plans
- Medicare prescription drug coverage
- Medicaid and Medicare Savings Programs

www.medicare.alaska.gov

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