



MEDICARE 101

2019

PRESENTED BY:

WESTERN MARKETING

800-852-7152

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For Agent Use Only

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 and Medicaid Services (CMS)
- Enrollment by Social Security Administration (SSA) or Railroad Retirement Board (RRB)

APPLYING FOR MEDICARE?

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

MEDICARE BASICS

- Part A: Hospital Insurance
- Part B: Medical Insurance
- Part C: Medicare Advantage
- Part D: Prescription Drug Coverage

MEDICARE COVERAGE BASIC

- Part A
 - Inpatient hospital care
 - Skilled nursing care
 - Home health Care
 - Hospice care
- Part B
 - Doctor's services and outpatient care
 - Preventive services
 - Diagnostic tests
 - Some therapies
 - Durable medical equipment
- Part C
 - Replaces original Medicare
 - Must offer at least the same benefits of original Medicare
 - May or may not contain drug coverage
- Part D
 - Outpatient prescription drugs

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
 - \$135.50 in 2019 (may be more for higher income individuals)
- Initial Enrollment Period (IEP)
 - 7 months-starting 3 months before month of eligibility, the month of, and 3 months after
- 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

MEDICARE CHOICES

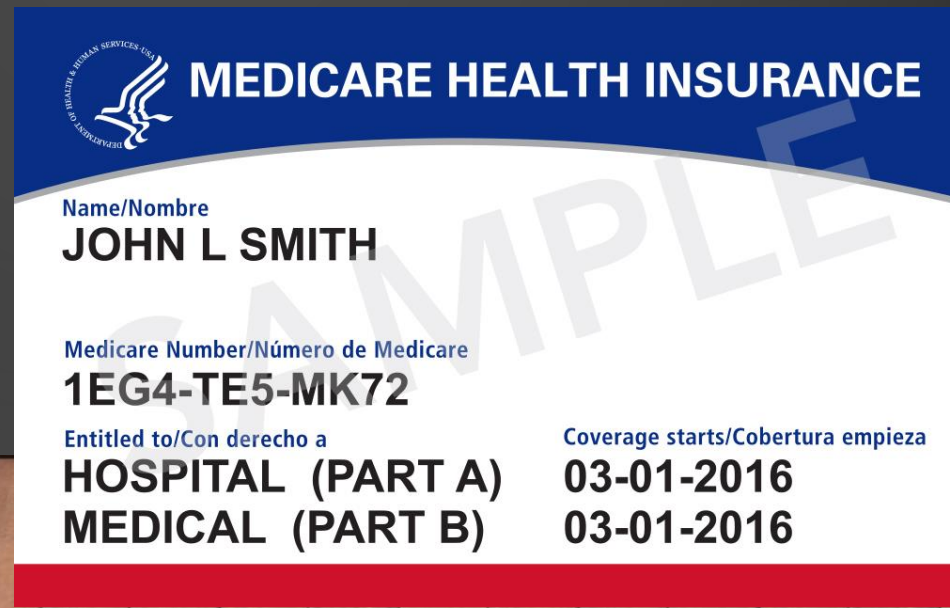
- Original Medicare Plan
- Medicare Advantage Plans
- Other Medicare Plans
- Medicare Prescription Drug Plans

ORIGINAL MEDICARE PLAN

- Go to any health care provider that accepts Medicare
- People are responsible for
 - Part A
 - \$1,364 deductible in 2019 for hospital stays up to 60 days
 - Additional costs after 60 days
 - Different costs for other Part A services
 - Skilled Nursing Facility Care Services- qualifying stay is required.
 - Days 1-20 = \$ 0
 - Days 21-100= \$170.50
 - Part B
 - \$185 annual deductible in 2019
 - 20% coinsurance or co-payment for most Part B services
- Some programs may help with costs

THE MEDICARE CARD

- New cards are being issued to Medicare recipients.
 - Random alpha-numeric characters are used to ensure the safety and identity of the Medicare recipient.
- Make sure you ask your client if they have received the NEW Medicare card.
- Advise your client to share the new Medicare card with all their current and future providers.



For Agent Use Only

MEDICARE SUPPLEMENT/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 10 standardized plans: A, B, C, D, F*, G, K, L, M, N
 - Except in Massachusetts, Minnesota, Wisconsin
 - So people can compare easily

* HDF or High Deductible-F plan

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 that accepts Medicare

MEDIGAP POLICIES ARE STANDARDIZED

- Every Medigap policy must follow federal and state laws designed to protect you, and they must be clearly identified as “Medicare Supplement Insurance.” Insurance companies can sell you only a “standardized” policy identified in most states by letters A through D, F through G, and K through N. All policies offer the same basic benefits, but some offer additional benefits so you can choose which one meets your needs. In Massachusetts, Minnesota, and Wisconsin, Medigap policies are standardized in a different way. (pg. 81 of the 2019 Medicare and You Handbook)

2020 IMPORTANT UPDATE!!!!

- Starting January 1, 2020, Medigap plans sold to new people with Medicare won't be allowed to cover the Part B deductible.
- Because of this, Plans C and F will no longer be available to people new to Medicare starting on January 1, 2020. If you already have either of these 2 plans (or the high deductible version of Plan F) or are covered by one of these plans before January 1, 2020, you'll be able to keep your plan.
- If you were eligible for Medicare before January 1, 2020, but not yet enrolled, you may be able to buy one of these plans. (pg. 81 of the Medicare and You Handbook)

MEDICARE SUPPLEMENT OPTIONS

Benefits	Medicare Supplement Insurance (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 2018**	
\$5,240	\$2,620

* Plan F also offers a high-deductible plan in some states. If you choose this option, this means you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,240 in 2018 before your policy pays anything.

** For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$183 in 2018), the Medigap plan pays 100% of covered services for the rest of the calendar year.

** Plan N pays 100% of the Part B coinsurance, except for 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.

MOST POPULAR OPTIONS

- PLAN F

- Covers Part A and Part B coinsurance
- Blood (first 3 pints)
- Part A hospice care coinsurance or copayment
- Skilled nursing facility care coinsurance
- Part A and Part B deductible
- Part B excess charges
- Foreign travel emergency (up to 80%)

- PLAN G

- Identical to Plan F, except does not cover the Part B deductible
- Difference in premium from Plan F is often more than enough to cover 2019 Part B deductible (\$185)
- Open enrollment or underwritten only
 - No guarantee issue Plan G's

MEDICARE ADVANTAGE PLANS

- Health Maintenance Organization (HMO) Plans
 - Some have Point-of-Service option
- Preferred Provider Organization (PPO) Plans
- Private Fee-for-Service (PFFS) Plans
- Special Needs Plans

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

HOW MA PLANS WORK

- Usually get all Part A and B services through plan
 - May have to use providers in plan's network
 - Generally must still pay Part B premium
 - Some plans may pay all or part
- May get extra benefits
 - Vision, hearing, dental services
 - Prescription drug coverage
 - Gym memberships
- Still in Medicare program
 - Get all Part A and Part B services
 - Have Medicare rights and protections

MEDICARE PRESCRIPTION DRUG COVERAGE

- 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, month of, and 3 months after
- Annual Election Period (AEP)
 - October 15th through December 7th 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 2019 members may pay
 - Monthly premiums
 - Annual deductible, no more than \$415
 - Co-payments or coinsurance
 - Very little after \$5,100 out-of-pocket
 - Greater of 5% or \$3.40 for generic or preferred drug that is a multi-source drug and the greater of 5% or \$8.50 for all other drugs in 2019
- May offer supplemental benefits
- Plan information and costs available
 - www.medicare.gov
 - 1-800-MEDICARE (1-800-633-4227)

MEDICARE ADVANTAGE OPEN ENROLLMENT PERIOD “NEW 2019”

- MA OEP- Medicare Advantage Open Enrollment Period-2019
 - Runs from- January 1 to March 31st
 - Takes the place of MAPD-Medicare Advantage Disenrollment Period
- The Medicare Advantage Open Enrollment Period (MA OEP) applies to:
 - Beneficiaries who are enrolled in an MA plan as of January 1. These enrollees can use the January 1 to March 31 MA OEP to enroll in another MA plan or disenroll from their MA plan to return to Original Medicare.
 - New Medicare beneficiaries who enrolled in an MA plan during their . These enrollees get an MA OEP starting the first month of entitlement to Medicare Parts A and B and ending the last day of the third month of entitlement. For example, if your client becomes eligible for Medicare in February, their MA OEP will start February 1 and end April 30. The January 1-March 31 timeline would not apply to them, because their Medicare eligibility is not valid until February.

WHAT DOES MEDICARE ADVANTAGE OPEN ENROLLMENT MEAN FOR YOUR CLIENTS?

ENROLLEES GET A **ONE-TIME** ELECTION TO MAKE ANY OF THE FOLLOWING CHANGES THROUGH THE MA OEP:

- Switch from a Medicare Advantage Prescription Drug Plan (MA-PD) to a different MA-PD
- Switch from an MA-PD to an MA-only plan
- Switch from an MA-only to an MA-PD
- Switch from an MA-only plan to a different MA-only plan
- Drop MA-PD coverage and return to Original Medicare (with or without Part D)
- Drop MA-only coverage and return to Original Medicare (with or without Part D)

HOWEVER, THERE ARE STIPULATIONS FOR BENEFICIARIES ENROLLED IN ORIGINAL MEDICARE.

- If an enrollee has Original Medicare, they cannot use the MA OEP to switch to an MA plan.
- The MA OEP does not apply to beneficiaries who have a Medicare Savings Account (MSA) or another type of Medicare health plan, such as a Medicare Cost Plan. Medicare Supplements are also exempt, as they are connected to Original Medicare, which does not apply to the MA OEP.
- Enrollees of standalone Part D prescription drug plans (including those who have Original Medicare) cannot use the MA OEP to make changes to their drug coverage.

WHAT AGENT MARKETING ACTIVITIES ARE PROHIBITED DURING THE MA OEP?

- CMS prohibits agents and brokers from intentionally targeting or sending unsolicited marketing materials to MA and Part D enrollees during the Medicare Advantage Open Enrollment.
- During the MA OEP, brokers and agents **cannot**:
 - Engage in activities that use the MA OEP as an opportunity for additional sales.
 - Call or contact enrollees who have made a new plan selection during the Annual Enrollment Period (AEP).
 - Purchase mailing lists or other identifiable information in an attempt to directly target beneficiaries during the MA OEP because they made a selection during the AEP.
 - Send unsolicited marketing materials referencing the MA OEP or the opportunity to make an additional enrollment change.

WHAT MARKETING ACTIVITIES CAN AGENTS PERFORM DURING THE MA OEP?

- Agents and brokers are limited in marketing activities during the Medicare Advantage Open Enrollment Period (MA OEP) however, are able to:
 - **Conduct marketing activities that focus on other enrollment opportunities, including but not limited to:**
 - Send marketing materials only when a beneficiary makes a proactive request.
 - Set up a one-on-one meeting only at a beneficiary's request.
 - Marketing 5-star plans by regarding their continuous enrollment SEP
 - Marketing to age-ins (who have not yet made an enrollment decision)

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



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