

MEDICARE & OTHER INSURANCE

“FITTING THE PIECES TOGETHER”

2016

I. INTRODUCTION

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BIG PICTURE – 3 Options

1. Original Medicare (A and B) with a Medicare Prescription Drug plan, SeniorCare, or other creditable drug coverage
2. Original Medicare with a Medigap Policy (aka Supplement) and creditable drug coverage
3. Medicare Advantage Plan (aka Medicare Health Plan)/Cost Plan, some include drug coverage/some do not

II. ORIGINAL MEDICARE

- **Medicare Part A – Hospital/Inpatient**
 - Inpatient hospital care, skilled nursing facility care, inpatient psychiatric care (190 day), hospice
 - Age 65 (or disabled). There is no premium if beneficiary has earned sufficient work quarters. If not, premium amount to be determined by Social Security
 - Deductible of \$1,288 (in 2016) per benefit period. A Benefit Period begins the day you go into a hospital or a skilled nursing facility. The benefit period ends when you haven't received any inpatient hospital care (or skilled care in a SNF) for 60 days in a row and then starts over again.
 - Hospital Coinsurance: Days 0-60: \$0 (after deductible), 61-90: \$322/day, 91-150: \$644/day
 - Skilled Nursing Facility Coinsurance: Days 0-20: \$0, 21-100: \$161/day (If 3 day hospital stay – does NOT include Observation Status), after 100 days = Private Pay, Long Term Care Insurance, or Medicaid

- **Medicare Part B – Medical/Outpatient, Medical Supplies and drugs that have to be given in a hospital or clinic setting**
 - Doctor Visits, Outpatient care, Home Health Care, Durable Medical Equipment, some Preventative Services (most 100% coverage), some injectables given in a clinic/hospital
 - Premium of \$104.90/month for those who had Medicare in 2015, \$121.80/month for new beneficiaries in 2016
 - Annual deductible of \$166 in 2016
 - Premium will be deducted from the Social Security benefit, or if not receiving a benefit, beneficiary will be billed quarterly.
 - Premiums may be higher for persons with incomes greater than \$85,000 single/\$170,000 joint.
 - Late enrollment penalty: If you don't sign up for Part B when you're first eligible and don't have Employer Coverage, you may have to pay a late enrollment penalty for as long as you have Medicare. Your monthly premium for Part B may go up 10% for each full 12 month period that you could have had Part B and didn't sign up for it.
 - Assistance is available with payment of premium if income/asset guidelines met.
 - Pays approximately 80% of Medicare approved amount for most covered services.

III. MEDICARE SUPPLEMENTAL INSURANCE ~ See yellow sheet

- **What is a Medicare Supplemental Policy? (aka Medigap policy)**
 - Private health insurance designed to fill in the “gaps” after Original Medicare according to State and Federal laws.
 - “Gaps” are deductibles, co-insurance, and co-payments.
 - If Medicare does not cover it, most likely your Supplement won’t either – examples: Dental, Hearing Aides, Routine Eye Exams.
 - Premiums vary depending upon the insurance company, optional benefits chosen, age of applicant, and where applicant lives.
 - Guaranteed Renewable for life as long as you pay the premium.
 - No network of providers, as long as they take Medicare, they should take your Supplement.

- **Guaranteed Acceptance into a Medicare Supplement Policy.**
 - 6 months Open Enrollment when Part B first becomes effective
 - age 65 or 24 months after date of disability determination. (*Disabled persons receive a 2nd open enrollment when they turn age 65*)
 - Guaranteed Issue of 63 days when “involuntarily” lose current coverage.
Includes: Employer/Retiree Groups, Medical Assistance, or Medicare Advantage. (*If unsure, call Helpline/Benefit Specialist for information 1-800-242-1060/715-381-4360*)
 - **If you are not within your Open Enrollment period, don’t have an SEP, or are not protected by Guaranteed Issue, the Supplemental Insurance Company CAN deny you due to health underwriting.**

- **Traditional Medicare Supplement Coverage (aka Traditional Medigap policy)**
 - **Basic Benefits**
 - Covers the 20% gap in coverage after Medicare Part B
 - Covers co-payments for hospitalization and skilled nursing care.
 - Additional Inpatient Psychiatric Care (175 days lifetime in addition to Medicare).
 - First three pints of blood each year.
 - **Wisconsin Mandate Benefits ***
 - Coverage for usual and customary cost of non-Medicare covered chiropractic care.
 - Coverage for 30 days non-Medicare skilled nursing facility care with no prior hospitalization required.
 - Up to 40 home health visits in addition to those provided by Medicare, if you qualify.
 - Kidney Disease benefits – up to \$30,000 in a calendar year
 - \$120 Preventative Health to cover routine services (some may cover more).
 - Some plans may offer discounts on other services such as Vision and/or Dental

- **Optional Benefits** (*Not all companies offer all of the optional benefits*)
 - Part A Deductible Rider (covers the \$1,288 deductible – per 60 day benefit period).
 - Part B Deductible Rider (\$166 annual deductible).
 - Part B Excess Charges Rider (covers the excess charges a provider can charge over the approved Medicare amount if they do not accept Medicare Assignment).
 - Additional Home Health Care (up to 365 visits per year).
 - Foreign Travel Rider (may have deductible of \$250 and covers 80% for first 60 consecutive days. Benefit limit must be at least \$50,000 per lifetime).

***There are several types of Medigap Policies: Traditional, Cost Sharing (share in 25% or 50% of a max), High Deductible, etc. What is explained above is the Traditional Supplemental Policy.**

IV. **MEDICARE ADVANTAGE PLANS** (aka Medicare Health Plans, Medicare Part C, replaces your Original Medicare A and B, and sometimes D) ~see blue sheet

- **Enrollment** (*Need both A & B to enroll*)
 - Initial Enrollment: 3 months prior, month of, 3 months after starting Medicare.
 - Annual Enrollment Period: October 15 - Dec 7 (effective Jan 1st of the following year)
 - Disenrollment Period: Jan. 1 – Feb. 14, If you are in a Medicare Advantage Plan, you can drop the plan and switch back to Original Medicare and add a Pt D plan
 - Special Enrollment Periods: i.e. Relocation, Trial Period, Loss of Group, etc. (*Call for assistance for your particular circumstances*)
 - Lock-in: you will be locked in to your plan of choice, able to make a change only during the above enrollment periods, unless you are eligible for a low income subsidy.
 - Trial Periods: May be allowed to disenroll back to original Medicare within the initial 12 months in a Medicare health plan, if certain criteria is met.
 - No Health Questions allowed except for End Stage Renal.

- **Types of Medicare Health Plans**
 - Private Fee for Service (PFFS)
 - Preferred Provider (PPO)
 - Managed Care (HMO) (*some plans have POS/Point of Service option*)
 - Medicare Savings Accounts (MSA) High Deductible plans, Medicare pays part of the deductible
 - Special needs Plans (*for persons with Chronic diseases or for persons on Medical Assistance or for persons in Institutional settings*)

- **Premiums/Costs of Medicare Health Plans**
 - Premiums Vary by plan
 - Continue to pay the Part B premium. Medicare pays the Health plan a set amount every month to cover Medicare services; you share in the cost with co-pays, deductibles and coinsurance.
 - Co-pays for most services covered thru the Medicare Advantage plan
 - “Maximum out-of-pocket” varies by plan
 - Can change premiums/co-pays on a yearly basis pending approval by CMS, also can go away.
 - Providers may choose to “Balance Bill” the beneficiary up to 15% over reimbursement paid by the plan for those enrolled in PFFS plans.
 - **In most of these plans, you pay 20% co-insurance for Part B drugs**, which are drugs that must be administered by a health professional such as certain oral anti-cancer drugs and anti-nausea drugs, antigens, injectable osteoporosis drugs, clotting factors you give yourself by injection if you have hemophilia, and drugs you take using durable medical equipment (such as nebulizers).

- **Optional Additional Benefits**
 - Fitness Discount
 - Dental Coverage
 - Some coverage towards routine eye exams and hearing aides
 - Not all plans offer additional benefits

***Typically there is a network of providers that you need to stay within
In order to receive the maximum benefit from the plan.**

V. EMPLOYER/RETIREE GROUP HEALTH COVERAGE

- Includes coverage thru employer
 - Active employee health coverage, Retiree Coverage, COBRA Continuation Coverage, Federal Employer Health Benefits.
- Each plan has its own costs (premiums/co-pays) associated with the “approved contract” purchased by the employer.
- Contract may change at any time.
- May include “creditable drug coverage.” (*Ask before enrolling into Part D*)
- May provide Primary (*if actively working and numbers of employees are >20 for 65 and up or >100 for disabled*) or Secondary coverage to Original Medicare. May incur Part B penalty if not covered by employer coverage that is primary.

VI. OTHER SECONDARY HEALTH COVERAGE

- **Military Coverage, St. Croix County Office, 715-386-4759**
 - Veteran’s Benefits (VA facilities only)
 - Drug coverage is “creditable”
 - Does **not** coordinate with Medicare
 - Need to meet priority level for coverage
 - May want to purchase additional insurance
 - Tricare for LIFE/ChampVA
 - Prescription coverage is “creditable”
 - Does Coordinate with Medicare
 - No additional health insurance needed
- **Wisconsin SeniorCare, 1-800-657-2038**
 - State Prescription Drug Plan, Creditable Drug Coverage
 - Income determines your “level”
 - Higher your income, higher your deductible
 - No Monthly Premium
 - Can have with a Medicare Supplement or Medicare Advantage Plan without drug coverage
- **Medical Assistance/Low Income Programs, Economic Support, 715-246-8421**
 - Benefits received are dependant on gross income and cash assets. Benefits range from full Medicaid to assistance with Medicare Part B premium.
- **Health Insurance Marketplace, 1-800-318-2596**
 - 4 levels of coverage, Income 100-400% of FPL may be eligible for tax credit

VII. MAKING YOUR COVERAGE DECISION

- The decision to purchase insurance is a personal choice and should be based on your personal health care needs, now and in the future.
- Note: Potential out-of-pocket costs if insurance decisions are not made in a timely manner.
- Insurance counselors are available for your assistance, to help you sort the options available to you so you, as a consumer, can make an informed decision. Call the Medigap Hotline, 1-800-242-1060 or Benefit Specialist in your county, for further information and answers.

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