

# Let's Learn Medicare

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Employee to Retiree: What You  
Need to Know about Medicare

Transitions to Medicare

# Medicare Rights Center

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- ❖ The Medicare Rights Center is a national, not-for-profit consumer service organization that works to ensure access to affordable health care for older adults and people with disabilities through:
  - Counseling and advocacy
  - Educational programs
  - Public policy initiatives

# What You Will Learn Today

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- ❖ How does Medicare coordinate with employer-based coverage?
  - Employer Group Health Plans / Retiree Coverage / COBRA
- ❖ When should my clients enroll in Medicare if they have employer-based coverage?
- ❖ How can my clients enroll in Medicare if they have other coverage?
- ❖ Common problems/issues
- ❖ What to do if your clients did not enroll in Medicare when they should have?



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# Medicare Basics

# Medicare

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- ❖ Health insurance for people 65 and older and people with disabilities
- ❖ People of all income levels eligible
- ❖ Run by the government but can be provided by private companies
- ❖ Covers most medical services a beneficiary needs
  
- ❖ Title 18 of the Social Security Act

# Parts of Medicare

- ❖ Medicare benefits are administered through three different “parts”
  - **Part A** – Hospital/Inpatient Benefits
  - **Part B** – Doctors/Outpatient Benefits
  - **Part D** – Prescription Drug Benefit
    - (added 2006)
  
- ❖ **What happened to Part C?**
  - Became Medicare Advantage plans
    - Private health plans (HMO, PPO)
    - Way to get Parts A, B and D through one private plan
    - Not a separate benefit

# Getting Medicare benefits

## ❖ Original Medicare

- Traditional program designed in 1965
- Accepted by most doctors and hospitals in the country
- Supplemental insurance can help pay your out-of-pocket costs (like deductible and coinsurance)

## ❖ Medicare private health plans (HMO, PPO)

- Began in 1997 as Medicare + Choice
- Now known as Medicare Advantage
- Must offer the same benefits as Original Medicare, but can decide how and when you can access them
  - Most require the use of doctors and hospitals in the plan's network
- May offer additional benefits

# What Part A covers

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- ❖ Inpatient hospital
- ❖ Inpatient skilled nursing facility
- ❖ Home health care
- ❖ Hospice care



# Part A costs

## ❖ Premium

- Free for those with 10 yrs. work

## ❖ Hospital deductible

- \$1,132 in 2011 for each benefit period

## ❖ Hospital coinsurance

- \$283 in a day for days 61-90, each benefit period
- \$566 for days 91-150 (these are 60 non-renewable lifetime reserve days)

## ❖ Skilled nursing facility coinsurance

- \$141.50 a day for days 21-100 for each benefit period

There are programs that can help pay Medicare costs if a person has a limited income

# What Part B covers

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- ❖ Doctor services
- ❖ Preventive care
- ❖ Durable medical equipment (DME)
  - Such as wheelchairs, walkers, oxygen tanks
- ❖ Home health care
- ❖ X-rays, lab, ambulance services
- ❖ Therapy services (PT/OT/ST)

There are programs that can help pay Medicare costs for people with limited incomes

# Part B costs

- ❖ **Annual deductible: \$162 in 2011**
- ❖ **Monthly premium: 115.40\* in 2011**
  - Higher if individuals have very high income
  - There are programs for people with limited incomes that can help pay the Part B premium
- ❖ **Coinsurance:**
  - Medicare pays 80% of Medicare-approved amount for doctors' services; beneficiaries pay 20% coinsurance
  - Exceptions:
    - Outpatient mental health has a 45% coinsurance
    - Outpatient hospital services have copays that can be no more than the Medicare hospital deductible (\$1,132 in 2011)
    - Medicare pays 100 percent of the Medicare-approved amount for certain preventive services

# What Medicare does not cover

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- ❖ Most Dental care
- ❖ Most Vision care
- ❖ Hearing care
- ❖ Most foot care
- ❖ Most Long-term care
- ❖ Alternative medicine
- ❖ Most care received outside of the US
- ❖ Personal or custodial care unless you need skilled care
- ❖ Most non- emergency transportation
- ❖ **Note:** Medicare private health plans may cover these services



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# Part D

# Part D Costs

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- ❖ You will have different costs for different prescriptions at different times
  1. Deductible Period
  2. Initial Coverage Period
  3. Coverage Gap
  4. Catastrophic Coverage

# Drug costs

**Brand-name drug A costs \$80.**

	<b>Standard (no Extra Help)</b>
<b>Deductible</b>	\$80
<b>Initial Coverage period</b>	\$20*
<b>Coverage gap</b>	\$40
<b>Catastrophic coverage</b>	\$ 6.30 (5% is less)

\*In this case, the plan has the “basic” shape with 25% copays. Costs can vary by plan.

# Enrolling in the Medicare drug benefit

You can enroll during the following times:

- **Initial Enrollment Period:**

- 3 months before you turn 65, the month you turn 65 and the 3 months after you turn 65

- **Fall Open Enrollment:**

- October 15 to December 7

- **Special Enrollment Periods**

- In exceptional circumstances, such as if you become eligible for Extra Help, lose other drug coverage or you move into a nursing home



# Creditable Coverage

- ❖ Creditable Coverage
  - Drug coverage that is as good as or better than Medicare's basic benefit
- ❖ You should receive a notice telling you if your drug coverage is creditable
  - Many employer/retiree benefits offer creditable drug coverage (often better than Medicare's)
- ❖ The following coverage is definitely considered creditable
  - Veterans Affairs benefits
  - TRICARE
  - Federal Employee Health Benefits (FEHB)

# If you do not enroll in Part D...

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- ❖ If you have creditable coverage, you can enroll late without penalty so long as you are not without creditable coverage for more than 63 days
- ❖ If you do not have creditable coverage, you can enroll later, but you may pay a premium penalty
  - The penalty is one percent of the national average premium for every month you went without creditable coverage
  - National average premium for 2011 is \$32.34

# Medicare Drug Plan Options

- ❖ Two types of drug plans depending on how you get your Medicare benefits
  - **Original Medicare:**
    - Get a stand-alone plan (PDP) that offers **only** drug coverage
    - Get all your other health benefits through Original Medicare
  - **Medicare private health plan (HMO, PPO):**
    - Generally, get drug coverage from the same health plan (MAPD). Exceptions: PFFS w/out drug coverage, MSA
    - Get all your Medicare benefits (Parts A, B and D) through your plan



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# Medicare Eligibility

# Medicare Eligibility – 65 or older

- ❖ When you reach age 65, you qualify for Medicare if you...
  - Collect or qualify to collect Social Security or Railroad Retirement benefits
  - or
  - If you do not qualify for Social Security or Railroad Retirement benefits, you are a current US resident and either:
    - a US citizen or
    - A permanent US resident having lived in the US for 5 continuous years before you apply for Medicare

# Medicare Eligibility – under 65

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## You are eligible if...

- ❖ You have been getting Social Security Disability Insurance (SSDI) or Railroad Disability Annuity checks for total disability for at least 24 months, (if you have ALS there is no waiting period)  
  
or
- ❖ You have End-Stage Renal Disease (ESRD or kidney failure) and you have enough Medicare work history



# Enrolling in Medicare

# 4 Ways to Enroll in Medicare

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1. Automatic Enrollment
2. Initial Enrollment Period
3. General Enrollment Period
4. Special Enrollment Period



# Automatic Enrollment

- ❖ People will be automatically enrolled in Parts A and B if:
  - They have enrolled to receive Social Security Benefits before they turn 65
  - They have a disability and have been receiving SSDI for at least 24 months
  - They are getting SSDI because they have ALS
  
- ❖ They will receive a package in the mail 3 months before their coverage begins explaining how Medicare works
  - They will also be given the option to decline Part B
  - Do not decline Part B unless they, their spouse (or other family member in certain situations) have insurance from a **current** employer

# Initial Enrollment Period (IEP)

- ❖ The first chance to enroll in Medicare if someone is not automatically enrolled
  - Can enroll in Part A, Part B and Part D
  
- ❖ 7 month period surrounding the month of eligibility for Medicare: the 3 months prior to the eligibility month, the month of eligibility and the 3 months after the eligibility month
  - The eligibility month will either be a person's 65<sup>th</sup> birthday month or a person's 25<sup>th</sup> month of SSDI
  - Be sure to enroll early so coverage can begin as soon as one is eligible
  
- ❖ If someone misses their IEP they can enroll during the General Enrollment Period or during a Special Enrollment Period (SEP) if they are eligible for one

# General Enrollment Period (GEP)

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- ❖ If someone misses their IEP they can sign up for Medicare during the General Enrollment Period
- ❖ The General Enrollment Period lasts from January 1<sup>st</sup> –March 31<sup>st</sup>
  - Your coverage will begin July 1<sup>st</sup>
- ❖ If someone enrolls during the GEP and they are not currently employed, they may have to pay a premium penalty for late enrollment into Part B

# Special Enrollment Period (SEP)

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- ❖ Allows individuals to enroll in Part B any time while they have group health coverage based on their **current** employment or their spouse's (or family member's)  
or
- ❖ During the 8-month period that begins the month employment ends or the group health coverage ends
- ❖ To qualify for an SEP an individual must meet specific criteria

# Additional SEP Criteria

- ❖ Individuals must have been ***continuously covered*** by employer group health insurance based on their **current** employment or their spouse's (or other family member's), from the time they became eligible for Medicare until now
  - With no more than 8 **consecutive** months of lapses in *either* Medicare or current employer coverage

**And either one of the following ...**

# Additional SEP Criteria – cont.

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*Continuously covered*

**and either one of the following ...**

1. Must be currently working and covered by an employer group health plan  
or
2. Must have had employer group health coverage based on their **current employment** or their spouse's (or other family member's) within the last 8 months

# SEP Case Study 1

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- ❖ Mrs. S worked for Toys “R” Us continuously since she was 40. She received her health insurance from Toys “R” Us. She retired from Toys “R” Us at age 67. If she enrolls in Medicare 1 month after she retires, **will she be eligible for an SEP?**

# SEP Case Study 1 – answer

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- ❖ **Yes**, Mrs. S will be eligible for an SEP to enroll in Part B.
  - Her SEP began 3 months after she turned 65 while she was still working, and for up to 8 months after she retired. She is eligible for an SEP since she had insurance from a current employer and had been continuously covered since she became Medicare eligible.



# SEP Case Study 2

- ❖ Mr. P turned 65 in May of 2006. He continued working for another year and retired in May of 2007 when he was 66. He did not have any healthcare expenses at the time and chose to delay enrollment in Medicare until March of 2008 when he started to feel ill.
  1. Will Mr. P be eligible for an SEP to enroll in Part B?
  2. When will Mr. P's Medicare begin?
  3. How many months will Mr. P be uncovered?

# SEP Case Study 2- answers

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1. No, Mr. P will not be eligible for an SEP to enroll in Part B. His SEP ended 8 months after he retired, and he enrolled in Medicare more than 8 months after he retired.
2. Mr. P's Medicare will begin July 1, 2008. By choosing to enroll in Medicare in March he was enrolling during the General Enrollment Period.
3. Mr. P had no health coverage from May of 2007 when he retired, until July of 2008 when his coverage began.



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# Coordination of Benefits

# Coordination of Benefits

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- ❖ Coordination of benefits is the sharing of costs by two or more health plans
- ❖ Some types of plans are mandated to pay first (primary coverage) and other types of plans are mandated to pay second (secondary coverage)
- ❖ It is important to understand how health plans work together so that claims can be paid properly

# Primary and Secondary Insurance

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- ❖ Primary insurance pays first on a claim for medical or hospital care
- ❖ Secondary insurance pays after primary insurance
  - It usually pays for all or some of the costs that the primary insurer did not cover
  - If the service was not initially covered by the primary insurance, the secondary insurer may or may not cover it; it depends on the type of plan



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# Medicare and Employer Group Health Plans

# Group Health Plans

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- ❖ A Group Health Plan (GHP) is any plan in which employers provide health benefits or medical care to current and former employees
- ❖ How Medicare coordinates with Group Health Plans depends on the size of the Group Health Plan
- ❖ For the purpose of this presentation we will be discussing Group Health Plans based on **current** employment

# Medicare is Primary and GHP is Secondary

- ❖ Eligible for Medicare due to age
  - Fewer than 20 employees at the company where an individual or their spouse currently works
  
- ❖ Eligible for Medicare due to disability
  - Fewer than 100 employees at the company where an individual, their spouse or other family member currently works



# 65+ Fewer Than 20 Employees

- ❖ **Medicare is primary coverage and employer coverage can act as secondary**
- ❖ If a person or their spouse have current employment status and a GHP from a company with fewer than 20 employees, **they should usually enroll in Part B**
  - If they decline Part B, neither Medicare nor their GHP may be required to pay for their doctors visits and other medical services
    - **Essentially they may have no health coverage**
    - If the GHP is paying primary, they may not be aware that the individual is eligible for Medicare
      - If the plan learns of their Medicare eligibility, the plan can stop primary payments at any time
- ❖ Individuals will be granted an SEP to enroll in Part B without penalty at anytime while they are still working or for 8 months after they stop working or lose coverage if they meet all the SEP criteria

# Fewer than 20 Employees – cont.

- ❖ An employer with fewer than 20 employees is not required by law to provide the same insurance to people age 65 and older that it does to its employees under 65
- ❖ However, employers can choose to cover people age 65 and older as it does its employees under 65
  - If the employer agrees to provide primary coverage, the person over 65 is not required to enroll in Part B
  - Important: get **written** confirmation from the employer and health insurance plan if they choose to cover as primary when they do not have to
    - This information is crucial for protecting people from the plan recouping any payments when they believed Medicare should have been the primary payer

# Medicare for People with Disabilities and GPH: Fewer than 100 Employees

- ❖ If you or your spouse, (or your family member) are eligible for Medicare due to disability and:
  - You are covered by a group health plan based on current employment

AND

- There are less than 100 employees

THEN

- **You should stay in Part B**
- ❖ Medicare is your primary coverage

# Fewer Than 100 Employees – cont.

- ❖ After you have been receiving SSDI for 24 months you will automatically be enrolled in Part A and Part B
  - If you choose to decline Part B:
    - **You will not have primary insurance**
      - Neither Medicare nor your GHP may be required to pay for your doctors visits and other medical services
    - **You will only be eligible for an SEP if you receive your health coverage from your employer or your spouse's employer, not from another family member's employer.**

# Fewer than 100 Employees – cont.

- ❖ An employer with fewer than 100 employees is not required by law to provide the same insurance to you that it does to its employees who do not qualify for Medicare
- ❖ However, an employer can choose to cover employees who qualify for Medicare as it does its employees who do not qualify for Medicare
  - If your employer agrees to provide the same coverage they provide to people who do not qualify for Medicare, the individual with eligible for Medicare is not required to enroll in Part B
  - Important: get **written** confirmation from your employer and health insurance plan if they choose to cover employees eligible for Medicare like those who are not eligible
  - This information is crucial for protecting you from the plan recouping any payments when they believed Medicare should have been the primary payer

# GHP is Primary and Medicare is Secondary

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- ❖ Eligible for Medicare due to age
  - There are more than 20 employees at the company where an individual or their spouse currently works
  
- ❖ Eligible for Medicare due to disability
  - There are more than 100 employees at the company where an individual, their spouse or other family member currently work

# Medicare and GHP: 20 or More Employees

- ❖ **The group health plan will be your primary insurance**
- ❖ If a person or their spouse have a GHP based on **current** employment at a company with 20 or more employees they do not necessarily need to take Part B
- ❖ They will be granted an SEP to enroll in Part B without penalty at anytime while they are still working or for 8 months after they stop working or lose coverage if they meet all the SEP criteria

# Medicare for people with disabilities and GHP: 100 or More Employees

- ❖ If a person (or their spouse or other family member) are eligible for Medicare due to disability AND
    - They are covered by a group health plan based on **current** employment
  - AND**
  - There are MORE than 100 employees
  - THEN**
  - They do not need to take Part B unless they are unsatisfied with their current coverage.
- 
- ❖ **Employer insurance is primary and Medicare is secondary.**
  - ❖ They will be granted an SEP to enroll in Part B without penalty anytime while they are still working and then for 8 months after they retire or lose coverage, whichever comes first.



# Medicare as Secondary

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- ❖ People are still eligible to take Part B even if they have primary coverage from an employer. If they take Part B Medicare it will act as their secondary coverage.
- ❖ If a person chooses to drop their employer insurance Medicare becomes their primary insurance, as long as they are enrolled in Part B

# Coordination of Benefits

## Medicare and Group Health Plans

<b>Conditions</b>	<b>Primary</b>	<b>Secondary</b>
<b>65+ and currently working Fewer than 20 employees*</b>	Medicare	Employer
<b>Disabled and currently working Fewer than 100 employees*</b>	Medicare	Employer
<b>Disabled and currently working 100 or more employees</b>	Employer	Medicare
<b>65 + and currently working 20 or more employees</b>	Employer	Medicare

\* GHPs may choose to make payments in full regardless of eligibility for Medicare. Make sure to get this information in writing from the insurance company.

# RECAP: Should someone take Part B?

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- ❖ Whether or not a person should enroll in Part B if they have current employment status depends on:
  - **How many employees work at their or their spouse's (or other family members') company**
- and
- **If Medicare will be the primary or secondary payer**

# Will a person be Eligible for an SEP?

- ❖ If a person meets the criteria for an SEP they are always eligible for an SEP if their GHP is provided by their employer or their spouse's employer.
- ❖ If a person is disabled and receives their insurance from a family member who is not their spouse, whether or not you are eligible for an SEP depends on the size of their GHP.
  - If fewer than 100 employees in the company the family member works for,
    - Not eligible for an SEP
  - If 100 or more employees in the company the family member works for
    - Eligible for an SEP

# Will I be Eligible for an SEP?

<i><b>Provides Health Coverage</b></i>	<i><b>Size of GHP</b></i>	<i><b>SEP Eligibility</b></i>
<b>Disabled and receive health insurance from parent or other family member</b>	GHP of 100 or more employees	Eligible for an SEP if you meet the criteria
<b>Disabled and receive health insurance from parent or other family member</b>	GHP of fewer than 100 employees	Not eligible for an SEP
<b>Self</b>	GHP can be of any size	Eligible for an SEP if you meet the criteria
<b>Spouse</b>	GHP can be of any size	Eligible for an SEP if you meet the criteria



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# Medicare and COBRA

# COBRA

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- ❖ COBRA: A federal law that allows certain employees, their spouses and dependents, to keep their group health plan (GHP) for between 18 and 36 months after they leave their job or lose coverage for certain other reasons, as long as they pay the full cost of the premium. Note: COBRA only applies to large employers (20 or more employees).

# Medicare and COBRA

- ❖ **COBRA is always secondary to Medicare.**
  - If a person takes COBRA they **must enroll in Part B within 8 months of losing their Group Health Plan based on current employment**
  - If a person does not enroll within 8 months they will most likely have to pay a **premium penalty** for late enrollment and they may have **gaps in coverage**
- ❖ COBRA is **not** health insurance from a **current** employer



# Should a person take Part B if they have COBRA?

## ❖ Yes

- If a person has COBRA they must take Part B within 8 months of losing their GHP based on current employment
- A person may have to pay a penalty or risk being uncovered for a period of time if they do not take Part B within 8 months of losing your GHP

## ❖ COBRA premiums are very expensive, it might be more cost effective to enroll in Medicare with Medigap and Part D after a person loses their employer coverage

- They will have an SEP and not have to pay a premium penalty if they enroll during the SEP

# Should a person take Part B – cont.

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- ❖ If a person has COBRA when they become Medicare eligible, their employer cannot require them to enroll in Medicare.
  - If a person does enroll in Medicare, COBRA plans are allowed to end COBRA coverage
- ❖ If a person has COBRA and Medicare Part A, COBRA may be able to come back and recoup payments if they do not sign up for Part B, since Medicare should have been the primary insurance



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# Medicare and Retiree Insurance

# Medicare and Retiree Insurance

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- ❖ **Retiree insurance always pays secondary to Medicare**
- ❖ **Retiree Benefits:** Health insurance provided by employers to former employees who have retired

# Retiree Insurance – cont.

- ❖ Many retiree policies require members to sign up for Part A and Part B
  - In order to have full insurance coverage you must sign up for Parts A and B
- ❖ Even if Medicare serves as primary coverage it may be beneficial to maintain retiree coverage:
  - It can act as **supplemental insurance** and fill gaps in Medicare coverage
  - It may cover services that Medicare does not cover such as vision and/or dental
- ❖ A person should check with their HR department or benefits administrator to see how their retiree plan will work with Medicare

# Should a person take Part B if they have retiree insurance?

## ❖ Yes

- To avoid a premium penalty a person must take Part B within 8 months of retiring
- Retiree coverage pays secondary and without Part B a person will have no primary health coverage
- If a person's retiree coverage appears to be paying primary even if they don't have Medicare, the retiree plan may not be aware that the person is eligible for Medicare
- If the retiree plan learns of the person's Medicare eligibility, they can potentially stop payment at any time and even recoup monies they paid out while the person was eligible but not enrolled in Medicare



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# Common Mistakes

# Common Mistake 1

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- ❖ **Many people decline Medicare when they have retiree insurance or COBRA because they believe they are adequately covered**
  - Medicare-eligible individuals are NOT adequately covered if they have COBRA or Retiree insurance only
  - COBRA and Retiree coverage are always secondary to Medicare. Without Medicare, a person does not have primary health coverage.



# Common Mistake 2

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- ❖ **If someone has retiree benefits or COBRA for more than 8 months without taking Part B, they will not be eligible for an SEP to enroll in Part B and will have to pay a premium penalty.**
  - They will have to wait until the next General Enrollment Period to enroll in Medicare (January through March), with an effective date of July 1.

# The Consequences of Not Enrolling When You Should Have

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- ❖ Premium penalties
- ❖ Existing coverage may refuse to pay for health care
- ❖ Responsible for the full cost of health care expenses
- ❖ A plan may come back and recoup payments it paid when Medicare should have been the primary insurer



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# Part B Premium Penalties

# Premium Penalties

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- ❖ A person will be assessed a 10% Part B premium penalty for each 12-month period that they delay enrollment in Medicare Part B, when they do not have insurance through a **current** employer
- ❖ Typically, a person will have to pay that penalty every month as long as they have Medicare

# More about premium penalties...

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A person will no longer have to pay a premium penalty when.....

- ❖ The status of their Medicare eligibility changes:
  - A person is enrolled in Medicare because of a disability, and when they turn 65 and become eligible for Medicare due to age
- ❖ They enroll in a Medicare Savings Program (MSP)



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What to do if someone did  
not enroll in Part B when  
they should have

# Part B Enrollment

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- ❖ Enroll in Medicare as soon as possible.
  - May be eligible for an SEP
  - If a person is not eligible for an SEP, enroll in Medicare during the next General Enrollment period
- ❖ When making any decisions about enrolling in Part B a person should call the Social Security Administration
  - Keep a record of all calls with SSA

# Solutions: Equitable Relief

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- ❖ “Equitable Relief” is an administrative process created under Federal Law that allows people with Medicare to request “relief” from the Social Security Administration (SSA) in the form of:
  - Immediate or retroactive enrollment into Medicare  
And/or
  - The elimination of a Part B premium penalty



# Equitable Relief

- ❖ For Equitable Relief to be granted, SSA must determine that failure to enroll in Part B was:
  - “unintentional, inadvertent, or erroneous” and
  - was the result of “error, misrepresentation, or inaction of a Federal employee or any person authorized by the Federal government to act in its behalf”.
  - For example, if someone did not enroll in Part B because a Social Security representative told them they did not need to enroll, they may have grounds for equitable relief.

# How to File for Equitable Relief

- ❖ Write a letter to Social Security explaining that your client received misinformation that caused them to delay Part B enrollment.
- ❖ Be very specific:
  - Include the dates and times they spoke with the Federal Employee; provide a clear narrative with as many facts as possible
  - Include names if you have them
  - Specifically state the remedy you are seeking: clearly indicate whether you would like Medicare coverage going forward or retroactive back to a specific date.

# Equitable Relief: Issues/Problems

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- ❖ This is not a formal legal process;
  - clients have no formal “rights”.
- ❖ SSA is not required to respond to requests within a set time frame
- ❖ SSA is not required to send a formal decision letter in response to a request
- ❖ The specific requirements for proving misinformation are unclear at best and arbitrary at worst
- ❖ No right to appeal if request is denied

# Equitable Relief: Advocacy Strategies

- ❖ If you believe that your client meets the criteria, pursue this process, despite its problems. Many people have been successful in their pursuit of relief.
- ❖ Always keep copies of documents you submit to SSA.
- ❖ After submitting your letter, follow up with your local office in one month.
- ❖ If you are not getting results, contact your Senator or Congressman and ask them to follow up with SSA.

# Possible solution: Medicare Savings Programs

- ❖ Medicare Savings Programs (MSPs) can help pay some or all of a person's Medicare costs if they have a limited income.
- ❖ If a person qualifies for an MSP
  - **They will be allowed to enroll in Part B outside of the GEP**
  - **The MSP will erase any premium penalties they have incurred in addition to the Part B monthly premium**

# Medicare Savings Programs

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- ❖ MSPs are administered through the local Department of Social Services (Medicaid) within each state
- ❖ To apply for an MSP a person can contact their local Medicaid office or your local SHIP
- ❖ There are 3 different MSP programs
  - Which program a person is eligible for depends on their income level

# Medicare Savings Programs

- ❖ Three programs to help pay Medicare out-of-pocket costs
- ❖ Different eligibility requirements for each program
- ❖ **QMB (Entitlement program)**
  - Pays Medicare Part A & B premiums, deductibles, and coinsurance
  - There is no coinsurance if they see a doctor who takes Medicare
    - Doctors who also accept Medicaid are more likely to bill correctly
- ❖ **SLMB (Entitlement program)**
  - Pays the Part B premium
  - Up to 3 months retroactive coverage
- ❖ **QI-1 (Block grant)**
  - Pays the Part B premium
  - Up to 3 months retroactive coverage within the same calendar year



# Health Reform



# Preventive Care coverage

Starting January 1, 2011 these services will be covered by Original Medicare with no copay or deductible if you see providers who take assignment

- ❖ Welcome to Medicare Physical
- ❖ Breast Cancer Screenings
- ❖ Screening Mammogram
- ❖ Pap Smear
- ❖ Bone Mass Measurement
- ❖ Colon Cancer Screening
- ❖ Prostate Cancer Screening
- ❖ Screening for Heart Disease
- ❖ Diabetes screening
- ❖ Flu Shot
- ❖ Pneumonia Vaccine
- ❖ Hepatitis B Vaccine
- ❖ Annual wellness visit
- ❖ Cervical Cancer Screenings
- ❖ Medical Nutritional Therapy

# Part D drug plan changes

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## ❖ 2010

- People who reached the coverage gap (doughnut hole) received a \$250 rebate
- It was a one time only rebate
- People with Extra Help did not receive a rebate

## ❖ 2011

- Brand name drugs will cost 50% less during the coverage gap and generic drugs will cost 7% less during the coverage gap

# Part D drug plan changes – cont.

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## ❖ 2013- 2020

- The coverage gap will be phased out through annual increases in discounts until 2020
- Once the gap is phased out, you will pay no more than 25 percent of the cost of your drugs at any time during the year

## ❖ 2013

- Benzodiazepines and Barbiturates used in the treatment of epilepsy, cancer or chronic mental disorders will be covered under Part D

# For more information and help

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## ❖ Local State Health Insurance Assistance Program (SHIP)

- Get the number by calling 800-MEDICARE

## ❖ Medicare

- 800-MEDICARE (800-633-4227)
- [www.medicare.gov](http://www.medicare.gov)

## ❖ Medicare Rights Center

- 800-333-4114
- Medicare Interactive (See next slide)

# Medicare Interactive

## ❖ Medicare Interactive

- [www.medicareinteractive.org](http://www.medicareinteractive.org)

## ❖ Web based information system developed by Medicare Rights to be used as a counseling tool to help people with Medicare.

- Easy to navigate
- Clear, simple language
- Answers to Medicare questions and questions about related topics, for example:
  - “How do I choose between a Medicare private health plan (HMO, PPO or PFFS) and Original Medicare?”
- State-specific information for all 50 states. (Find what programs each state offers and their income and asset limits.)

# Volunteer at the Medicare Rights Center

- ❖ Several volunteer opportunities exist at Medicare Rights
  - Hotline volunteer
    - Counsel people with Medicare and their loved ones over the phone
  - Seniors Out Speaking (SOS)
    - Give short monthly presentations on Medicare to groups of older adults throughout New York City and Westchester
  - Enrollment volunteer
    - Screen clients for programs that help pay their Medicare costs
  - Administrative volunteer
    - Perform tasks such as filing, copying, and data entry
- ❖ To learn more about volunteering, call us at 1-800-333-4114 or email at [volunteer@medicarerights.org](mailto:volunteer@medicarerights.org)
- ❖ No prior Medicare knowledge is required – training and support provided to all volunteers