



Dallas/Fort Worth Chapter
International Society of Employee Benefit Specialists



CEBS DALLAS/FORT WORTH CHAPTER

MEDICARE OVERVIEW

JANUARY 10, 2019



BENEFITS | TOTAL REWARDS

OVERVIEW

- Medicare vs. Medicaid
- Original Medicare
- Medicare Supplements
- Medicare Advantage
- Prescription Drug Plans
- Enrollment Periods
- Medicare Resources
- Timelines



MEDICARE VS. MEDICAID

Medicare is a federal program that provides health coverage if you are 65 or older or have a severe disability, no matter your income.

Medicaid is a state and federal program that provides health coverage for persons of all ages if you have a very low income

If you are eligible for both Medicare and Medicaid (dual eligible), you can have both. Medicare and Medicaid will work together to provide you with very good health coverage.



ORIGINAL MEDICARE

- **Original Medicare consists of two parts**

- Part A and Part B

- **Part A**

Hospital, Skilled nursing, Home health care, Hospice

- **Part B**

Doctors, Preventive services, Diagnostic tests, DME

- **Part C**

Medicare Advantage

- **Part D**

Prescription drugs



ORIGINAL MEDICARE

•Part A

- Work 40 quarters (non-continuous)
- Qualify under spouse's benefits
- Buy into Part A
 - Up to \$437 Monthly

Part B

- Standard premium
 - \$135.50 monthly premium
- Means tested premium
- 10% penalty (for every 12 months not covered)
- Penalty never goes away



ORIGINAL MEDICARE

If your yearly income in 2017 (for what you pay in 2019) was			You pay each month (in 2019)
File individual tax return	File joint tax return	File married & separate tax return	
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$135.50
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$189.60
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	Not applicable	\$270.90
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	Not applicable	\$352.20
above \$160,000 and less than \$500,000	above \$320,000 and less than \$750,000	above \$85,000 and less than \$415,000	\$433.40
\$500,000 or above	\$750,000 and above	\$415,000 and above	\$460.50



ORIGINAL MEDICARE

•Part A

- **Hospital Deductible: \$1,364**
 - Covers stays up to 60 days
 - Days 61 – 90: \$341 per day
 - Days 91 – 150: \$682 per day
- **Skilled Nursing Facility**
 - Days 1 – 20: \$0
 - Days 21 – 100: \$167.50 per day

•Part B

- **Annual Deductible: \$185**
- **80/20 Coinsurance or co-payment**
- **Excess Charges 15% (Assignment)**



ORIGINAL MEDICARE

- **Medicare-Eligibles still working**
 - **Groups of less than 20**
 - Medicare is primary coverage
 - Need Part A
 - Need Part B in most cases
 - **Groups of 20 or more**
 - Medicare is secondary coverage
 - Part A is optional but not necessary
 - Part B not necessary



MEDICARE SUPPLEMENTS

- **Cover “gaps” in Original Medicare**

- Also Referred to as Medigap Plans

Include 11 Modernized Plans A, B, C*, D, F*, G, K-N (*Plan C & F will be discontinued 1/1/2020 and not available to those newly eligible for Medicare as of 1/1/20 and after. Those currently on Plans C & F will be able to maintain these plan)

- Plans provide the same coverage regardless of carrier

Have a monthly premium

- Premiums vary by carrier (Age, ZIP Code, Gender, etc.)

- **Offer freedom of choice (no networks)**

- Only requirement is that the provider accept Medicare

- **Exceptions on Medical Underwriting**

- Enrollment during initial enrollment period
 - (Six months from 65th birthday or Part B effective date)
- Loss of certain types of coverage
- Must have Part A and Part B of Original Medicare



MEDICARE SUPPLEMENTS

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 is also offered as a high-deductible plan by some insurance companies in some states. If you choose this option, this means you must pay for Medicare-covered costs (coinsurance, copayments, 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.



MEDICARE ADVANTAGE

• Medicare Part C

- Run by private insurance companies
- Medicare pays “capitation” rate per enrollee
- All care and claims handled by carrier
- CMS is “watchdog” operation

• Types of Plans

- HMO: Health Maintenance Organization
- PPO: Preferred Provider Organization
- PFFS: Private Fee for Service
- SNP: Special Needs Plan
 - Dual Eligible
 - Chronic Illness



MEDICARE ADVANTAGE

•Eligibility Requirements

- Reside in service area
- Enrolled in Medicare Parts A and B
- Cannot have End Stage Renal Disease (ESRD)

•Value Proposition

- \$0 or low monthly premium
- Small co-pays or coinsurance
- Guaranteed Issue
- Can include prescription drug coverage
- May provide extra benefits
- Such as vision, hearing, dental, gym membership



PRESCRIPTION DRUG PLANS

• Medicare Part D

- Available to all people with Medicare
- Requires Part A and/or B

• Provided Through

- Stand-alone Medicare Prescription Drug Plans
- Medicare Advantage Plans
- Some employers or unions

• Part D Premium Details

- Standard premiums: \$15 - \$150 per month
- 2018 national base premium: \$35.02
- 1% of national base premium for each month not enrolled
- Means tested premium



PRESCRIPTION DRUG PLANS

If your filing status and yearly income in 2017 was			
File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2019)
\$85,000 or less	\$170,000 or less	\$85,000 or less	your plan premium
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	not applicable	\$12.40 + your plan premium
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	not applicable	\$31.90 + your plan premium
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	not applicable	\$51.40 + your plan premium
above \$160,000 and less than \$500,000	above \$320,000 and less than \$750,000	above \$85,000 and less than \$415,000	\$70.90 + your plan premium
\$500,000 or above	\$750,000 and above	\$415,000 and above	\$77.40 + your plan premium



PRESCRIPTION DRUG PLANS

•Overview for 2019

- **Maximum deductible of \$415**
- **75/25 cost sharing**
- **Initial Coverage Limit: \$3,820**
 - **Total Drug Costs**
- **Coverage Gap (Donut Hole)**
 - **Out of Pocket Max (TrOOP): \$5,100**
 - **Member Pays 35% Brand Name**
 - **Member Pays 44% Generic**
- **Catastrophic Coverage**
 - **5% of the drug cost or**
 - **\$3.40 (Generic) or \$8.50 (Name Brand) whichever is greater**



ENROLLMENT PERIODS

• Initial Enrollment Period (IEP)

- Parts B, C and D
- Lasts 7 months (3 before, eligible month, 3 after)
- Coverage begins no earlier than first day of ELIGIBLE month

• General Enrollment Period (GEP)

- Part B only
- January 1 through March 31
- Coverage effective July 1

• Annual Enrollment Period (AEP)

- Parts C and D
- October 15 through December 7
- Coverage effective January 1



ENROLLMENT PERIODS

•MA Open Enrollment Period (OEP)

- Parts C only (must be enrolled in a MA or MA-PD)
- January 1 through March 31
- Change to a different MA or MA-PD plan, disenroll from their plan and return to Original Medicare (with or without a Part D plan)
- One time change allowed
- Coverage begins first day of the next month

•Special Enrollment Period (SEP)

- Events include:
 - Loss of certain types of coverage
 - Move out of service area
 - Plan termination
 - Dual-Eligible
 - Chronic Illness



MEDICARE RESOURCES

- **SHIP Counselors**
 - Can help an individual understand what their Medicare options will look like compared to what they have with their employer group plan as an initial step in transitioning to Medicare
 - To find a Medicare approved SHIP Counselor in your state, use the following link: <https://www.medicare.gov/Contacts/#resources/ships>
- **The Government Agency - Medicare**
 - www.medicare.gov
 - 1-800-MEDICARE (1-800-633-4227)
- **Certified Medicare Advisor**
 - Leigh Bennett – IMA Corp
 - Certified Medicare Products Specialist for over 6 years (Medicare Supplement plans, Stand-Alone Part D plans & Medicare Advantage plans)



ADVISING TIMELINE

•Turning 65

- **Contact me a minimum of 2 months prior to your 65th birthday month**
- **Overview of Original Medicare**
- **Medicare needs assessment**
- **Medicare plan selection assessment**
- **Enrollment assistance and application submission**
- **Application tracking and enrollment confirmation**



ADVISING TIMELINE

• **Already 65 - Moving Off Employer Group Plan**

- **Contact me a minimum of 3 months prior to the expected transition off the current group medical plan**
- **Overview of Original Medicare**
- **Medicare needs assessment**
- **Medicare plan selection assessment**
- **Enrollment assistance and application submission**
- **Application tracking and enrollment confirmation**



Leigh Bennett
Certified Medicare Advisor
leigh.bennett@imacorp.com
972-759-3760

