

# *Indiana State Health Insurance Assistance Program*

\*A Division of the Department of Insurance



## **MEDICARE 2022**

**BEN HUDSON, SHIP TRAINING DIRECTOR**

# WHAT IS SHIP?

- Federally Funded-Administration on Community Living (ACL)
- Free service
- Unbiased assistance and information on Medicare
- No affiliation with any insurance company

# MEDICARE – WHAT IS IT?

- Health insurance for people:
  - Age 65 and older
  - Under age 65 receiving Social Security Disability for 24 months
  - Any age with End-Stage Renal Disease (ESRD)

# A-B-C-D

- Medicare has four parts
  - **Part A** – Hospital Insurance
  - **Part B** – Medical Insurance
  - **Part C** – Medicare Advantage Plans
  - **Part D** – Prescription Drug Coverage

**Minimum Coverage  
Once Eligible\***

Must have:

Original Medicare  
-Part A  
-Part B  
-Part D or other  
creditable drug  
insurance.

\*Medicare enrollment can be delayed if covered under you (or your spouse's) employer group health from a company larger than 20 employees (100 employees if on Medicare due to disability).

**Option 1**

Must have:

Original Medicare  
-Part A  
-Part B  
-Part D

Optional:

Medicare Supplement  
(Medigap) or other type of  
secondary insurance  
coverage

**Option 2**

Medicare Advantage Plan (MA)

Must be enrolled into Medicare  
Part A and B (benefits provided  
by Advantage plan)

Most plans will include a Part D  
plan built-in.

\*If you choose a plan without Part D, you  
will need to have creditable drug insurance  
from outside of Medicare.

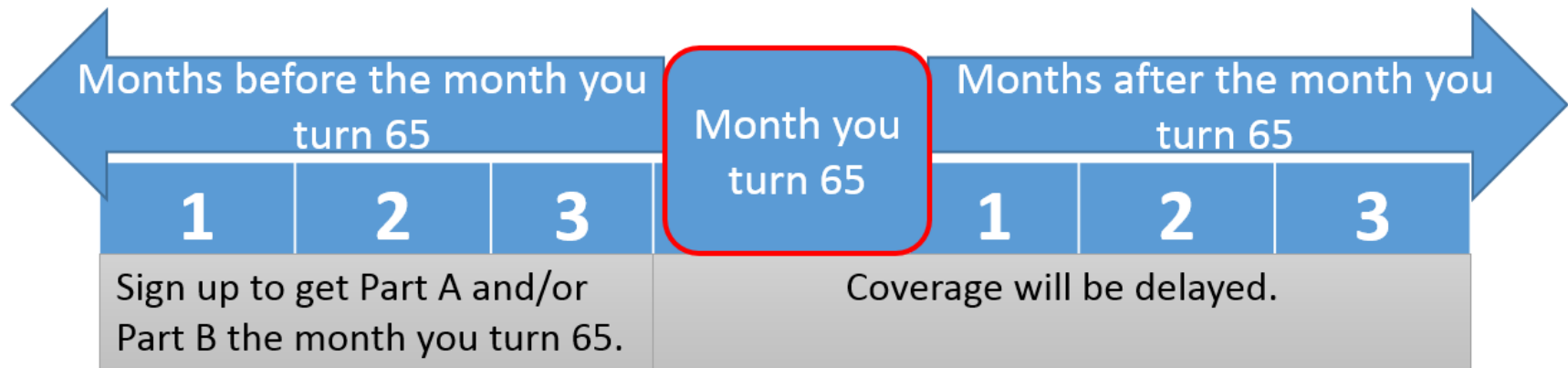
# MEDICARE – *ENROLLMENT*

## ■ Auto Enrollment

- If you are already receiving Social Security benefits before age 65
  - OR If receiving Railroad Retirement benefits before age 65
  - OR you are on SS Disability for 24 months
  - THEN Social Security will send you your Medicare card in the mail 3 months prior to 65<sup>th</sup> birthday month or your 25<sup>th</sup> month on disability.
- 
- **Note:** You can refuse to accept Part B by following the instructions that come with the card. This should **ONLY** be done if you are covered by a Large Employer Group Health Plan

# MEDICARE – *ENROLLMENT*

- Apply as early as 3 months before age 65-**Initial Enrollment Period (IEP)**



- Do not need to be retired-Must have creditable health insurance to deny
- Might **not** want to enroll in all parts of Medicare
  - If you have an HSA (see slide 8)
- See your benefits administrator to see if there are restrictions and/or requirements

# MEDICARE – *ENROLLMENT*

- HSA

- Can only be used in conjunction with a high-deductible health plan
- Medicare is NOT a high-deductible health plan
- By having both Medicare and an HSA you lose the tax-free benefits of HSA contributions
  - EX: Instead of using \$1,000 of HSA contributions on a qualified medical expense tax-free, with an HSA and Medicare the same \$1,000 contribution is treated like income and taxed accordingly.
  - **Note:** Only contributions made while enrolled in HSA and Medicare will be taxed
- Medicare Part A has a 6-month retroactive enrollment-goes back no further than your 65<sup>th</sup> birthday month
- Recommendation: If you have an HSA, stop contributions up to 6-months prior to anticipated Medicare enrollment (loss of employer ins., retirement, etc.)



# MEDICARE PART B – *ENROLLMENT*

- If you miss your IEP or SEP or lose Part B THEN the ONLY time you can get it again is during:
- **General Enrollment Period (GEP)**
  - January 1 through March 31 each year
  - Coverage effective July 1
  - Premium increases 10% for each 12-month period you were eligible but did not enroll
- **Special Enrollment Period (SEP)**
  - You have an SEP to sign up for Part A and/or Part B any time as long as you or your spouse (or family member if you're disabled) is working, and you're covered by a large group health plan through the employer or union, based on that work. This SEP lasts until 8-months after loss of employer insurance or active work stops- whichever happens first.

# MEDICARE PART B

- If you do not sign up for Part b when you are first eligible AND you do not have a Large GHP from you or a spouse's employer-tied to active working employment, then there could be a penalty whenever you do sign up for Part B.
- **Part B Penalty:** 10% of the standard premium for the year you sign up, for every full 12-month period you go without Part B

# COORDINATION OF BENEFITS- EMPLOYER INSURANCE

## If you (or your spouse):

- Actively work for an employer with **more** than 20 employees  
AND
- Receive your health insurance from that company (Large Group Health Plan) **THEN**
- May be able to delay enrolling in Part A and B
- Will receive an 8-month Special Enrollment Period (SEP) to enroll into Medicare when GHP coverage ends or active work stops - whichever happens first

# COORDINATION OF BENEFITS- EMPLOYER INSURANCE

- It is recommended that you sign up for Medicare about 60 days prior to loss of Large Group Health Plan (GHP)
- Have Medicare start on first of the month after loss of coverage.
- Can sign up for Medicare anytime while actively working and covered by a Large GHP.
- Do not have to be retired

# COORDINATION OF BENEFITS- EMPLOYER INSURANCE

**Options When Covered by a Large GHP at 65 years or older,  
you can:**

- Delay Medicare enrollment completely. Keep employer plan.
- Keep employer plan and Sign Up for Medicare Part A and B (Medicare will pay secondary)
- Keep employer plan and Sign Up for Medicare Part A only.
- Disenroll from employer plan and sign up for Medicare A & B

# COORDINATION OF BENEFITS- EMPLOYER INSURANCE

## If you (or your spouse):

- Actively work for an employer with **less** than 20 employees  
AND
- Receive your health insurance from that company (Small Group Health Plan) **THEN**
- You should (must) sign up for Medicare
- If you do not, you could face a penalty and your employer plan will no longer cover you.
- Employer insurance can be kept as a secondary payer

# COORDINATION OF BENEFITS- EMPLOYER INSURANCE

## Medicare and Employer Insurance While Receiving SSA Disability Benefits

- Employer Insurance is **Primary** if:
  - -Employer has 100 or more employees with a Large GHP
  - -May be able to delay enrolling in Part B
  - -Will receive an 8-month SEP to enroll in Part B when LGHP coverage ends or employment ends - whichever happens first
- Employer Insurance is **Secondary** if:
  - -Employer has less than 100 employees with a Small GHP
  - **-You will need to enroll in Parts A and B to make sure you are covered**

# COORDINATION OF BENEFITS

- Medicare Pays **BEFORE** these common types of Insurance:
  - -Medicare Supplement Insurance (Medigap) policy
  - -Medicaid
  - -Retiree benefits (because not tied to ACTIVE employment)
  - -The Indian Health Service
  - -Veterans benefits
  - -TRICARE for Life
  - -COBRA



# ORIGINAL MEDICARE

- Go to any provider that accepts Medicare in USA

## COSTS:

- **Part A** - free for most people
- **Part B** premium **\$170.10 (could be higher due to income)**
- **Part D** average of **\$33.17**
- Medicare Supplement Plan (G)
  - **\$100-\$185, avg of \$135** at age 65 in **Guaranteed Issue Period**

# MEDICARE PART A

## Part A—Hospital Insurance helps cover:

- Inpatient hospital care
- Inpatient skilled nursing facility (SNF) care
- Blood (inpatient)
- Certain inpatient non-religious, nonmedical health care in approved religious nonmedical institutions (RNHCIs)
- Home health care
- Hospice care

# MEDICARE PART A – *HOSPITAL COVERAGE*

- Part A premium is free for most people
- Less than 10 years/40 quarters of Medicare-covered employment can pay a premium to get Part A ~\$274-\$499/mo
- Charges based on “benefit period”
  - Inpatient hospital care and SNF services
  - **Begins day admitted to hospital and ends when no care received in a hospital or SNF for 60 days in a row.**
  - You pay deductible for each benefit period, but there is no limit to number of benefit periods

# PAYING FOR HOSPITAL STAYS

- For inpatient Hospital stays in 2022 you pay
  - \$1,556 total deductible for days 1 – 60
  - \$389 co-payment per day for days 61 – 90
  - \$778 co-payment per day for days 91 – 150  
(including 60 lifetime reserve days)
  - Beneficiary pays ALL costs for each day beyond 150 days

# MEDICARE PART B – *MEDICAL COVERAGE*

- Doctors' services
- Outpatient medical and surgical services and supplies
- Diagnostic tests
- Outpatient therapy
- Outpatient mental health services
- Some preventive health care services
- Advanced Directives Counseling
- Other medical services
- Clinical laboratory tests
- Home health services (not covered under Part A)
- Durable medical equipment
- Outpatient hospital services
- Blood Work
- Ambulance service, if other transportation would endanger your health

# MEDICARE PART B

**2022 Standard premium—\$170.10**

All new enrollees into Medicare that year OR anyone not having their Part B Premium deducted from their Social Security check pay the new standard each year.

**Note:** You could pay more based on your income (see slide 25)

“**Held Harmless**”-Having your Part B Premium deducted from SSA or RRB benefit check. Part B premium will never increase more than the Social Security Cost of Living Adjustment (COLA) the next year.

## MEDICARE PART B

### Yearly Deductible

\$233

### Coinsurance for Part B Services

- 20% coinsurance for most covered services. Medicare pays remaining 80%. \$0 for most preventive services
- **NO LIMIT** for the 20% coinsurance
- Beneficiary will want some type of secondary insurance- (Medigap, Medicaid, employer, retiree etc)

# IRMAA-INCOME RELATED MONTHLY ADJUSTMENT AMOUNT

If Your Yearly Income Is			Your Monthly Medicare Part B Premium	2022 Medicare Part B IRMAA
File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return		
\$91,000 or less (held harmless)	\$182,000 or less (held harmless)	\$91,000 or less (held harmless)	about \$157*	\$0.00
\$91,000 or less	\$182,000 or less	\$91,000 or less	\$170.10	\$0.00
\$91,000.01 - \$114,000	\$182,000.01 - \$228,000	Not applicable	\$238.10	\$68.00
\$114,000.01 - \$142,000	\$228,000.01 - \$284,000	Not applicable	\$340.20	\$170.10
\$142,000.01 - \$170,000	\$284,000.01 - \$340,000	Not applicable	\$442.30	\$272.20
\$170,000.01 and less than \$500,000	\$340,000.01 and less than \$750,000	\$91,000.01 - \$409,000	\$544.30	\$374.20
\$500,000 and above	\$750,000 and above	\$409,000 and above	\$578.30	\$408.20



# MEDIGAP - *OVERVIEW*

- Sold by private insurance companies, plans A through N
- Plans are Standardized from company to company
  - Not all companies sell all plans
- All Medigap plans must be approved by the IDOI
- Cover “**gaps**” in Original Medicare
  - Medicare pays first, Medigap pays secondary
- Costs and availability may vary by state
  - Age, Gender, Zip Code, Tobacco use, medical underwriting
  - No medical underwriting if in Guaranteed Issue Periods
- **Does not include any drug plan or prescription coverage**

# MEDIGAP PLANS

- **Medigap Open Enrollment Period**
  - Starts when beneficiary is 65 years or older **AND** Medicare Part B begins
  - 6-month enrollment window to purchase a Medigap **GUARANTEED** with....
  - No Medical Underwriting, cannot be denied, and you will pay the best standard premium for your age, gender, zip code and tobacco use.
  - **Note:** There can be up to a 6-month waiting period for pre-existing conditions if you don't have creditable coverage before the this OEP.

# MEDICARE SUPPLEMENT PLANS

## Medigap Plans A-N

Medicare Supplement Insurance Plans	A	B	C	D	F <sup>1</sup>	G	K <sup>2</sup>	L <sup>2</sup>	M	N
Basic Benefits*	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	Copay <sup>3</sup>
Skilled Nursing			✓	✓	✓	✓	50%	75%	✓	✓
Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B Deductible			✓		✓					
Part B Excess					100%	100%				
Foreign Travel Emergency			✓	✓	✓	✓			✓	✓
Preventive Care Part B Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**NOTE:** Plans C and F are only available for individuals ELIGIBLE for Medicare prior to 1/1/2020.

# MEDICARE SUPPLEMENT PLANS

Type of Rating	Description
No-age-rated (community-rated)	<ul style="list-style-type: none"><li>▪ Everyone pays same regardless of age if 65 or older</li><li>▪ Generally least expensive over lifetime</li></ul>
Issue-age-rated	<ul style="list-style-type: none"><li>▪ Based on age when purchased</li><li>▪ Doesn't go up automatically as you get older</li></ul>
Attained-age-rated	<ul style="list-style-type: none"><li>▪ Premium based on current age</li><li>▪ Costs less when you're 65</li><li>▪ Cost goes up each year as you get older</li></ul>

Medigap premium quotes and additional information about companies can be found at: [in.gov/idoi/medigap](https://in.gov/idoi/medigap)

# MEDICARE SUPPLEMENT PLANS

- Under 65 and on SSDI or diagnosed with ESRD may not be able to buy a policy until they turn 65
- Companies may voluntarily sell Medigap policies to under 65 if they choose
- May cost more than policies sold to people over 65
- Can use medical underwriting, no guaranteed enrollment
- Get a Medigap Open Enrollment Period at 65

## MEDICARE SUPPLEMENT PLANS- ADDITIONAL “GUARANTEED RIGHT” SCENARIOS

- May have a Guaranteed Issue Period (GIP) after loss of insurance from a GHP that pays **secondary** to Medicare including COBRA or a retiree plan
- 63-day SEP to buy plan A, B, C\*, F\*, K, or L with guaranteed issuance rights (\*CF and may be replaced with “D, G” dependent on when you were first eligible for Medicare)
- Note: Loss of employer insurance etc. that pays primary to Medicare does not result in a SEP to enroll in a Medigap policy

## MEDICARE SUPPLEMENT PLANS- ADDITIONAL “GUARANTEED RIGHT” SCENARIOS

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- 63-day SEP to buy plan A, B, C, F, K, or L with guaranteed issuance rights
- Note: Loss of employer insurance etc. that pays primary to Medicare does not result in a SEP to enroll in a Medigap policy

## MEDICARE SUPPLEMENT PLANS- ADDITIONAL “GUARANTEED RIGHT” SCENARIOS

- Your Medicare Advantage Plan is leaving Medicare or stops giving coverage in your area, or you move out of the plan’s service area.
- 63-day SEP to buy plan A, B, C, F, K, or L with guaranteed issuance rights



## MEDICARE SUPPLEMENT PLANS- ADDITIONAL “GUARANTEED RIGHT” SCENARIOS

- 2 types of Trial Right:
  - 1) You joined a Medicare Advantage Plan when you were first eligible for Medicare at 65, and within the first year of joining, you decide you want to switch to Original Medicare.
    - You have 63 days to enroll in ANY Medigap sold

## MEDICARE SUPPLEMENT PLANS- ADDITIONAL “GUARANTEED RIGHT” SCENARIOS

### Trial Right

- 2) You dropped a Medigap policy to join a Medicare Advantage Plan for the first time, you’ve been in the plan less than a year, and you want to switch back.
  - ❑ No later than 63 days after coverage ends you can go back to your SAME Medigap Company and the SAME plan.

# MEDICARE SUPPLEMENT PLANS

## Decision/Enrollment Process

- **Decide which plan offers the benefits you want, A-N**
- **Go to [in.gov/idoi/Medigap](https://www.in.gov/idoi/Medigap) to compare plans including price, company information, ratings etc.**
- **Contact plan via phone to get official quote and start application process or meet with an insurance agent face to face**

# MEDICARE ADVANTAGE-

## PART C

- Medicare administered by private health insurance companies
- Same rights and protections
- Same coverages as Original Medicare, at a minimum
- Many plans include Part D coverage and additional benefits
  - Dental, vision, hearing, transportation, gym memberships
- Must use network of Doctors, Hospitals and SNF

# MEDICARE ADVANTAGE- COSTS

## COSTS:

- Monthly premium varies from company to company
- **\$0/mo** plans-available based on zip code.
- Still pay Medicare Part B premium, **\$170.10**
- **Copays and Co-insurance**
- Beneficiary out-of-pocket maximum up to: **\$7550**
- Plan cost information and availability can be found on <https://www.medicare.gov/plan-compare>

# MEDICARE ADVANTAGE VS. MEDIGAP

- Advantage Plans:

- **Usual candidate**

- Someone who comes onto Medicare healthy and does not go to the doctor or hospital often.
    - Assume they will continue to be healthy in the future
    - Financially cannot afford to pay high monthly premiums associated with Orig. Medicare and a Supplement.
    - Willing to stay in a smaller network of Doctors and Hospitals

# MEDICARE ADVANTAGE VS. MEDIGAP

- Medigap Plans:

- **Usual candidate:**

- Someone coming into Medicare with preexisting conditions and high medical costs
    - Someone not wanting to take the risk of high medical costs due to future diagnosis
    - Spend part of the year in a different part of the country and want the ability to see any Doctor that accepts Medicare.
    - Willing to pay higher monthly costs and in return could have lower out-of-pocket medical bills

# MEDICARE PART D – *RX COVERAGE*

- Available for all people with Medicare
- Requirements:
  - Have Medicare Part A or Part B or both
  - **Live in plan service area**
- Provided through:
  - Medicare Prescription Drug Plans (that work with Original Medicare)
  - Included in most Medicare Advantage Plans



# MEDICARE PART D – COSTS IN 2019

- Costs vary by plan, most people will pay:
  - Annual Deductible, **\$480**
  - After the deductible for the next \$4,430 you will pay 25% and the plan will cover 75% of your drug costs.
  - When your total drug costs reach **\$4,430** your initial drug plan coverage will end, you will enter a coverage gap and drug prices MAY increase.
  - Once your total out of pocket drug costs (not including the monthly premiums) reach **\$7,050** your catastrophic coverage will begin.
  - Your plan will cover up to **95%** of your drug costs. You will pay either \$3.95 for generic or \$9.85 for brand name drugs or 5% of the cost which ever is greater.

# Coverage Gap (Donut Hole)

## 1) Deductible Period

You pay 100% of drug costs until your deductible is met, which could be anywhere from \$0 to \$480

## 2) Initial Coverage Period

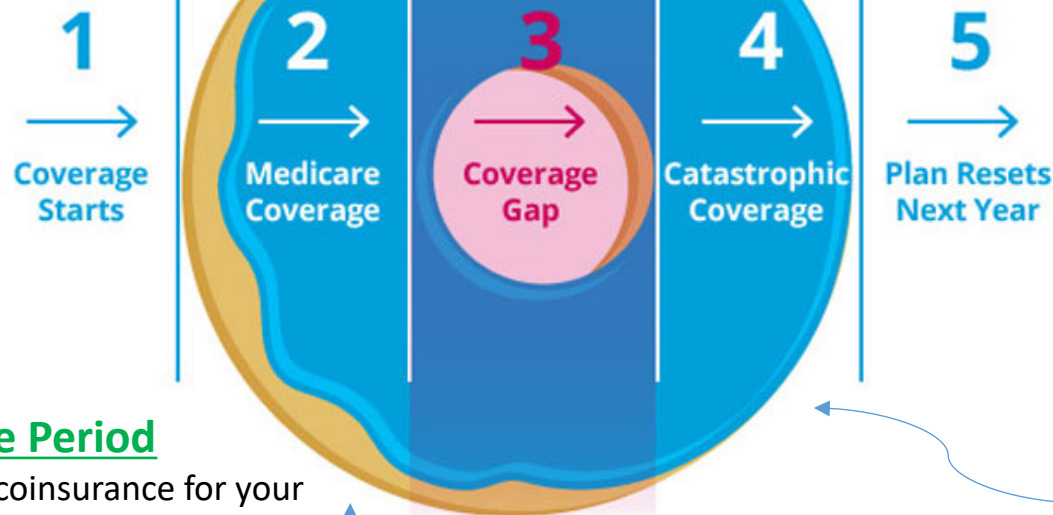
You pay the copays or coinsurance for your covered drugs as determined by the benefits of your Part D plan, until your Total Drug Costs = \$4,430. Your Total Drug Costs = your copays/coinsurance + your Part D Plan's portion of the drug cost.

## 3) Coverage Gap

You pay 25% of the cost of generic and brand name drugs, until your Total Out-of-Pocket (TrOOP) Costs reaches \$7,050. Your TrOOP = deductibles + copays/coinsurance. Important: The amount your Part D plan pays for your generic drugs does not count towards your TrOOP.

## 4) Catastrophic Coverage Period

You will pay \$3.95 for generic drugs and \$9.85 for brand name drugs. You remain in this period until January 1<sup>st</sup> of the next year.



# HOW CAN I SAVE MONEY ON MEDICARE AND PRESCRIPTIONS?

- Pharmaceutical Assistance Programs
- Prescription Discount Coupons/Cards
- Medicare Savings Program
- Extra Help

# MEDICARE OPEN ENROLLMENT

- Fall Open Enrollment
  - *October 15<sup>th</sup>-December 7<sup>th</sup>*
- Can make changes to your Medicare Plans, such as:
  - Switch from an Advantage Plan back to Original Medicare
  - Switch from Orig. Medicare to an Advantage Plan
  - Pick a new Part D plan
  - Enroll for a Part D plan for the first time

# MEDICARE AND MEDICAID

*When on Full Medicaid (Package A etc) and then qualify for Medicare based on age, disability or ESRD:*

- You must enroll onto Medicare Parts A, B and D
- Called a Dual Eligible
- Medicare pays first, Medicaid pays secondary
- Medicaid no longer covers your prescriptions
- Will receive Full Subsidy of the Extra Help program to assist with drug copays and other drug costs
- CMS will automatically enroll you into a drug plan if you do not pick one
- Can use additional Medicaid benefits i.e. dental, transportation etc

# MEDICARE AND MEDICAID

*When on the Healthy Indiana Plan (HIP 2.0) and then qualify for Medicare based on age, disability or ESRD:*

- You must sign up for Medicare Part A, B, and D
- Cannot have HIP once you are eligible for Medicare
- Contact FSSA 2 months prior to Medicare start date and asked to be vetted for the Medicare Savings Program (MSP)
- HIP 2.0 and QMB (top level of MSP) have nearly the same income limit. HIP 2.0 does not look at resources, MSP does.
- Will receive Full Subsidy of Extra Help

## FOR MORE INFORMATION

- I-800-MEDICARE (I-800-633-4227)
  - TTY users should call I-877-486-2048
- *Medicare & You 2022* handbook
- Other Medicare publications
- [www.medicare.gov](http://www.medicare.gov)
- [www.cms.hhs.gov](http://www.cms.hhs.gov)
- SHIP telephone: I-800-452-4800
  - TTY users should call I-800-846-0139
- SHIP website: [www.medicare.in.gov](http://www.medicare.in.gov)

## CONTACT INFO

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