



MEDICARE 101

Sponsored by UCare Medicare Group

the **ABC&D**
of Medicare



Original Medicare has Two Parts



Part A

hospital coverage

Inpatient hospital stays,
skilled nursing,
hospice care



Part B

medical coverage

Doctor visits, tests,
lab work, X-rays,
outpatient procedures,
chemotherapy,
medical equipment



Part C and Part D – Private Coverage



Part C
Medicare
Advantage
plans

*Additional coverage
and services
vision, hearing, dental,
health & wellness*

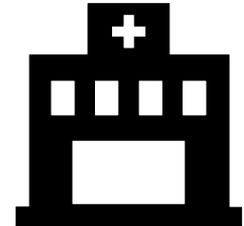


Part D
outpatient
prescription drug
coverage



Medicare Part A – Hospital insurance

- **Most people do not pay a premium**
- **Services** (*copays, deductibles and coinsurance apply*):
 - Hospitalization: \$1,408 for first 60 days
 - \$352/day for days 61–90
 - \$704/day for days 91–150
(*lifetime reserve days*)
 - Skilled nursing facility care: Days 1–20 paid in full
 - \$176/day for days 21–100
 - Home health care
 - Hospice care





Medicare Part B – Medical insurance

- **Premium: \$144.60 per month for most beneficiaries**

- You will pay more if your income is more than \$87,000 as a single person or \$174,000 as a couple



- **Services** (*\$198 annual deductible and 20% coinsurance apply*):

- Physician services (including office visits, surgery and consultation)
- Outpatient surgeries and procedures (including therapies)
- Ambulance
- Durable medical equipment (DME)
- Part B drugs



Not covered by Original Medicare

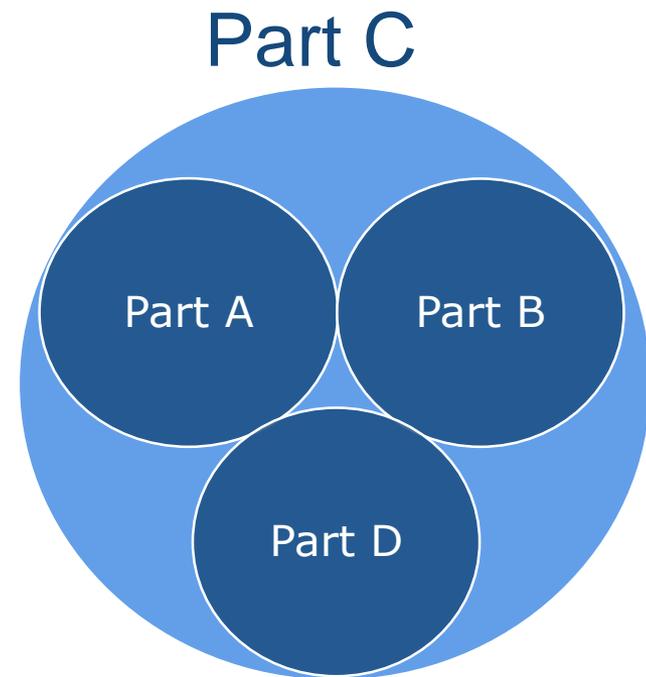
- Preventive dental and most other dental services
- Routine eye exams and eyeglasses
- Routine hearing exams and hearing aids
- Routine physical exams
- Fitness club memberships
- Skilled nursing facility care without a three-day qualifying stay
- Outpatient prescription drugs
- Most care received when traveling outside the United States





Medicare Part C - Medicare Advantage Plans

- Health plans that contract with Medicare to administer Medicare Part A and Part B benefits
- Plans must provide all Medicare Part A and Part B covered benefits
- Most offer additional coverage that may include:
 - Medicare Part D
 - Vision
 - Dental
 - Fitness



Medicare Part D - Prescription Drug Coverage



- You can enroll if you have Medicare Part A or Part B
- Enrollment is voluntary
- Medicare penalty for late enrollment
 - **A penalty would not be applied if you:**
 - Qualify for Extra Help for Part D
 - Maintained other creditable drug coverage with an Employer Plan
 - Maintained other creditable coverage with the VA





Medicare Part D plans

- Offered by private companies that contract with Medicare
 - Medicare Advantage plans with Part D (MA-PDs)
 - Stand-alone prescription drug plans (PDPs)
- Monthly premiums vary by plan
- Deductible, copays and formulary differ among plans
- *Extra Help for Medicare Part D* is a program to help people with limited income and resources



Standard Medicare Part D benefit

Initial coverage stage

- Deductible: \$445
- 25% coinsurance until \$4,130 in annual prescription drug costs reached (Your cost plus plan's cost)

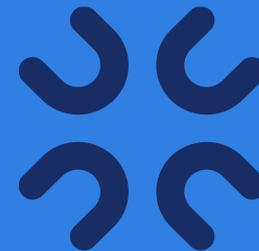
Coverage Gap stage

- 25% on generics (*Your plan pays 75%*)
- 25% of the cost of brand-name drugs (Drug manufacturer discounts 70% of brand-name drugs, and your plan pays 5%)

Catastrophic coverage stage

If your annual out-of-pocket costs reach \$6,550, you pay the greater of:

- \$3.70 copay or 5% coinsurance on generics
- \$9.20 copay or 5% coinsurance on brand-name drugs



Eligibility and Enrollment



Eligibility for Medicare

If you or your spouse worked more than 10 years (40 Social Security credits), you are eligible for Medicare starting the **first day** of the month of your 65th birthday.

Exceptions

- If your birthday falls on the first day of the month, your Medicare starts on the first day of the previous month
- It may start before age 65 in certain circumstances



Enrolling in Medicare at age 65

- **Already drawing Social Security benefits**, you will automatically receive your Medicare card approximately three months before your birthday month.
 - If you want Part A and B to start, do nothing
 - If you want to waive Part B, return the card
- **Not yet drawing Social Security benefits and you want Medicare to start at age 65**, you must enroll in Part A and Part B through Social Security.
 - You can enroll up to 3 months before your birthday:
 - Online at ssa.gov
 - By phone at 1-800-772-1213
 - At Social Security



Delaying Medicare Enrollment

You can delay your Part A or Part B beyond age 65 if:

- You or your spouse are actively employed
- You or your spouse have employer group coverage
- You are not collecting Social Security (SS)

Note:

- If you or your spouse plan to work for three or fewer months beyond age 65, work closely with SS to ensure that your Part B can take effect on the desired date
- If you are contributing to an HSA, be sure to talk with your financial consultant before enrolling in Medicare and retiring as all contributions must cease when you have Part A

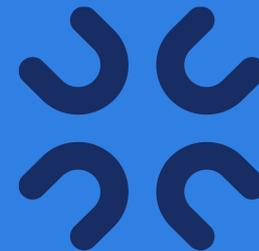


When your employer coverage ends

Notify Social Security – up to 3 months before

- Your Medicare Part A will start six months prior to the date of notification
- You may enroll in Medicare Part B to start any future month *without* penalty*
 - You need to complete an *Application for Enrollment in Medicare Part B*
 - Have the employer complete a *Request for Employment Information* form

* **Note** You have an eight-month window to apply for Part B without penalty. However, you only have a two-month window to enroll in a Part D plan without penalty.



Health plan options and how to compare

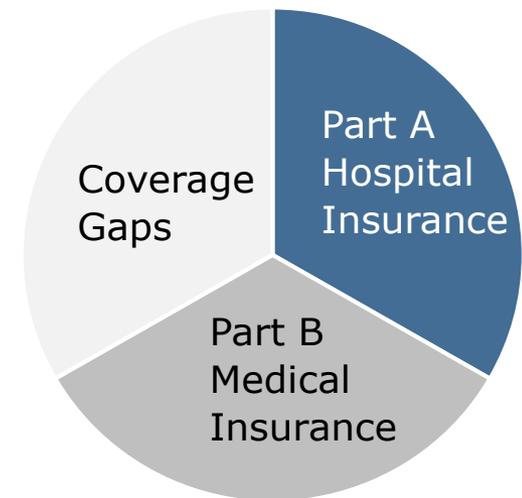


Medicare Health plan options

- Original Medicare covers about 50% of your overall health care costs
- To help cover the remaining costs, you can enroll in a:
 - Medigap/Medicare Supplement plan
 - Private Medicare health plan

If you are a veteran:

- Contact the local Veteran Service Office to determine eligibility for benefits
- The VA cannot bill Medicare for services





Medigap or Medicare Supplement Plans

– **Medicare supplements**

- Help pay for costs of Medicare-covered services (coinsurance, copayments and deductibles)

– **Medicare Select plans**

- You must use health care providers within the plan's network to be eligible for full benefits, except in an emergency



Medigap/Medicare Supplement features

- Pay after Medicare and only pay on Medicare-approved services
- Billing statements/paperwork sent from Medicare and from the supplement plan
- Sold by private insurance companies
- Medicare Part D coverage not included, must purchase separately for an additional premium
- Different premiums for rural versus urban, smoker versus non-smoker
- Health screening if enrolling after first six months on Medicare Part B
- Regulated by the MN Department of Commerce (not Medicare)



Private Medicare plans

- **Medicare Advantage:**
 - Coordinated Care Plans
 - Private Fee-for-Service (PFFS) Plans
- **Medicare Cost:**
 - Available in a few outstate Minnesota counties



MA Plans - Coordinated Care Plans

- **Health Maintenance Organization (HMO)**
 - You must use the plan's network of providers, except in an emergency
- **Health Maintenance Organization with Point-of-Service (HMO-POS)**
 - Use a provider network
 - Out-of-network coverage for emergency coverage and certain non-emergency care
 - Example: *UCare Medicare plans*
- **Preferred Provider Organization (PPO)**
 - Use a provider network
 - You are allowed to see any doctor or provider that accepts Medicare (usually at a higher cost)
 - Example: *EssentiaCare*



MA Plans-Private Fee-for-Service Plans

- Commonly known as PFFS
- Use a provider network
- You are allowed to see any doctor or provider that agrees to accept the PFFS plan fee allowance and will bill the plan for the service received
- Providers can decide at each appointment whether they will accept the plan's terms



Most Medicare Advantage plans:

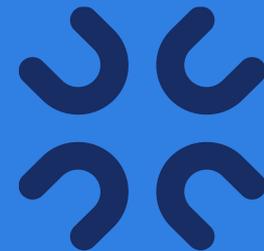
- Cannot health screen*
- Do not require physical exam to enroll
- Cover emergency care in-and out-of-network, worldwide
- Include an Annual out-of-pocket maximum on Part A and Part B services
- Do not have a lifetime coverage limit

**Except for end-stage renal disease, until Year 2021*



Advantages of Medicare Advantage Plans

- Provide “all-in-one” coverage
- Offer many affordable choices to meet your needs that include Medicare Part D for no additional premium
- May have Free basic memberships at health clubs
- May have dental coverage
- May waive the 3-day qualifying hospital stay for skilled nursing benefits
- May cover an annual routine physical exam, eye exam and hearing test
- May have a large network of providers and do not require referrals
- May include national coverage for some services at in-network cost



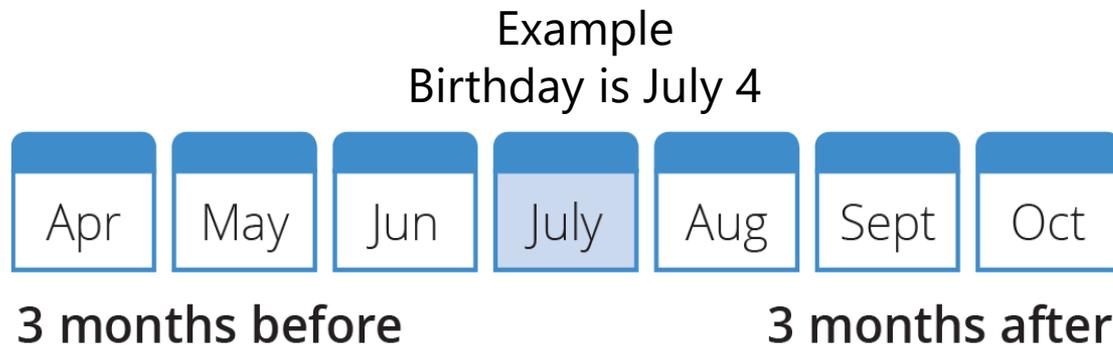
When can I enroll, change
or leave Medicare health
plans?



When can I enroll?

Initial Coverage Election Period (ICEP)

If you are new to both Medicare Part A and Part B, you may enroll during the three months before, month of, and the three months after you are eligible for Medicare.



If you have Part A already, and are applying for Part B, the ICEP is limited to the three months prior to your enrollment in Part B



When can I make changes to my Medicare coverage?

Annual Election Period (AEP)

- From October 15 to December 7 for a January 1 effective date.
- Employer Groups may have different enrollment periods.

Medicare Advantage Open Enrollment Period

- January 1st thru March 31st
- Those enrolled will be able to make one change to their coverage, to a different Medicare Advantage Plan or go back to Original Medicare.



When else can I make changes to my Medicare coverage?

Special Election Periods (SEPs)

Exceptions that allow you to make changes during the year, including if you are:

- Leaving an employer group health plan
- Receiving Extra Help for Part D or losing eligibility for this program
- Moving permanently to a new location, and a MA or Part D plan is available in your new area
- Enrolled in a plan terminating its contract with Medicare

Note: Enrollment time limits vary between SEPs

Thank you for attending!

If you have additional questions, please
feel free to contact us at:

612-676-6900 or

1-877-598-6574 toll free

8 a.m. to 5 p.m. daily

GroupSales@UCare.org

*If you have a hearing impairment,
call TTY 711 toll free*



Good news for when you retire!

M Health Fairview offers a UCare Medicare Group plan:



travel coverage



prescription drug
coverage



vision benefits



fitness options



dental coverage



hearing benefits

Available to Medicare-eligible retirees and spouses

Contact UCare Medicare Group Plans to learn more

612-676-6900

Groupsales@ucare.org