

UNDERSTANDING MEDICARE



What we'll go over today



- The A,B,C, D's and beyond of Medicare
- Enrollment periods, working past 65, COBRA and deadlines
- What is new for 2023
- Q & A

What is Medicare?



- Medicare is the federal health insurance program for people who are 65 or older, certain younger people with disabilities, individuals with End-Stage Renal Disease (permanent kidney failure requiring a transplant or dialysis, sometimes called ESRD), and those with Lou Gehrig's (ALS) disease.
- Different coverage options are available

The Parts of Medicare



**Part A
Hospital
Insurance**
Enroll at age 65
or 25th month
of disability
\$0 premium
Hospital
deductible
SNF \$0 until
days 21-100
20% co-pay
\$0 Home Health
(100 visits)
\$0 Hospice

**Part B
Outpatient
Services**
Enroll at age 65
or 25th month
of disability OR
delay until
retired or use
Union or VA
coverage
Premiums
income based
\$226 deductible
\$0 Home Health
20% co-pays on
most services
Medicare
Savings Program

**Part C
Medicare
Advantage
Plans (HMOs
and PPOs) This
includes Part A,
Part B & usually
Part D**
Able to enroll
whenever
eligible for Part
A & B
Can
change to
Original
Medicare or to
another Part C
Oct.
15-Dec.7
Extra Help &
MSP

**Part D
Medicare
Prescription
Drug**
Enroll when
you enroll in
Part B
Premiums,
deductibles and
co-pays vary by
plan
Be a smart
shopper and
compare every
Oct. 15-Dec. 7
Extra Help

**Medigap/
Medicare
Supplement**
Enroll when
you enroll in
Part B
Premiums,
deductibles and
co-pays vary by
plan
Second payer to
Medicare
Private
Insurance

What is Original Medicare?



Part A Hospital Insurance

Enroll at age 65
or 25th month of
disability
\$0 premium
Hospital
deductible SNF
\$0 until days
21-100 20% co-
pay
\$0 Home Health
(100 visits)\$0
Hospice



Part B Outpatient Services

Enroll at age 65 or
25th month of
disability OR delay
until retired or use
Union or VA
coverage
Premiums income
based
\$226 deductible
\$0 Home Health
20% co-pays on
most services
Medicare Savings
Program



Part D Medicare Prescription Drug

Enroll when
you enroll in
Part B
Premiums,
deductibles
and co-pays
vary by plan
Be a smart
shopper and
compare every
Oct. 15-Dec. 7
Extra Help

What is Original Medicare?



- Health care option by the federal government
- Provides your Part A, B and D
- See any doctor/hospital that accepts Medicare, coverage is nationwide
- You pay:
 - Part B & D premiums (Part A usually premium free)
 - Deductibles, coinsurance, or copayments
- Get Medicare Summary Notice
- No max out of pocket on services, unless you purchase a supplement



Part A – In Patient



- Enroll around your 65th birthday, 25th month of disability benefits (even if not retiring)
- Enrollment period is 3 months before birthday month, birthday month and 3 months after birthday
- Usually No Premium (if paid FICA tax for 10 years; can buy-in; TRS is different)
- Deductibles and co-pays based on benefits period
- Must be Admitted and stay in a hospital for **2-midnights*** for costs to go to Part A and 3 midnights for Part A to cover SNF

Medicare Part A – Covered Services



Inpatient Hospital Stays Semi-private room, meals, general nursing, and other hospital services and supplies. Includes care in critical access hospitals and inpatient rehabilitation facilities. Inpatient mental health care in psychiatric hospital (lifetime 190-day limit). Generally, covers all drugs provided during an inpatient stay received as part of your treatment.

Skilled Nursing Facility Care Semi-private room, meals, skilled nursing and rehabilitation services, and other services and supplies. 100 days after a hospital stay

Home Health Services Part-time or intermittent skilled nursing care, and/or physical therapy, speech-language pathology services, and/or services for people with a continuing need for occupational therapy, some home health aide services, medical social services, and medical supplies for use at home. 100 visits

Hospice Care For terminally ill and includes drugs for pain relief and symptom management, medical care, and support services from a Medicare-approved hospice.

Blood If not donated by blood bank or replaced by family/friend donation, you pay for 3 units per year (rare).



Part A Benefit Period



Begins Day 1 inpatient
(admitted, 2 midnights)

Ends 60 days after no
inpatient hospital or SNF

- Pay Part A deductible for each benefit period **\$1,600 in 2023**
- No limit to number of benefit periods you can have



Part A In-Hospital Costs



For Each Benefit Period in 2023	You Pay
Days 1-60	\$1,600 deductible
Days 61-90	\$400 per day
Days 91-150	\$800 per day (up to 60 lifetime reserve days)
Beyond Lifetime Reserve Days	All Costs



Part A costs Nursing Homes/SNF

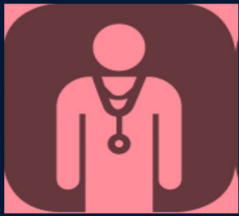


For Each Benefit Period in 2023	You Pay
Days 1-20	\$0
Days 21-100 (20%)	\$200 per day
All Days after 100	All costs

Part A and B Home Health-Criteria



- You must be under the care of a doctor, and you must be getting services under a plan of care established and reviewed regularly by a doctor. Face-to-face encounter prior to services
- You must need, and a doctor must certify that you need skilled therapist or skilled nursing on part-time or intermittent basis.
- The home health agency caring for you must be Medicare-certified.
- You must be homebound, and a doctor must certify that you're homebound.




Part B-Outpatient Care Enrollment



- Enroll :
 - on your 65th birthday
 - or 25th month of disability
 - Or > 65y.o. and after 8 months of no longer covered by employers or union insurance
- Penalty for late enrollment - *10% premium penalty if later for life
- If covered by employer/union insurance or VA outpatient benefits and you wish to opt-out of Part B until retired/no longer covered, you can 1) make an appointment with SSA or 2) when you get your Medicare Card, sign & return it

Back

 **MEDICARE HEALTH INSURANCE**

Name/Nombre
JOHN L SMITH

Medicare Number/Número de Medicare
1EG4-TE5-MK72

Entitled to/Con derecho a
HOSPITAL (PART A)
MEDICAL (PART B)

Coverage starts/Cobertura empieza
03-01-2016
03-01-2016

1. Carry your card with you when you are away from home.
2. Let your hospital or doctor see your card when you require hospital, medical, or health services under Medicare.
3. Your card is good wherever you live in the United States.

WARNING: Issued only for use of the named beneficiary. Intentional misuse of this card is unlawful and will make the offender liable to penalty. If found, drop in nearest U.S. Mail box.


Centers for Medicare & Medicaid Services
Baltimore, MD 21244-1650
Form CMS-1968 (01/2002)

If you have questions about Medicare, call 1-800-MEDICARE (1-800-633-4227) or visit us at www.medicare.gov.

I DO NOT WANT MEDICAL INSURANCE ☐ Check Here

Written Signature (or Legal Representative)	
SIGN HERE	
Signature by Mark (X) Must Be Witnessed	
Signature of Witness	Address of Witness

If you DO NOT want Medical Insurance

1. Check the box above (top right), sign your name, and return the entire form in the enclosed envelope. Do NOT tear off the Medicare card. It would be improper to use it since you do not want Medical Insurance. You must return the form BEFORE the Medical Insurance effective date shown on the card.
2. Since you are entitled to Hospital Insurance even though you do not want Medical Insurance, we will send you a new card showing that you have Hospital Insurance only.

What Are Medicare Part B Covered Services



Doctors' Services

Services that are medically-necessary (includes outpatient and some doctor services you get when you're a hospital inpatient) or covered preventive services. You pay 20% of the Medicare-approved amount (if the doctor accepts assignment) and the Part B deductible applies.

Outpatient Medical and Surgical Services and Supplies

For approved procedures, like X-rays, casts, or stitches. You pay the doctor 20% of the Medicare-approved amount for the doctor's services and hospital co-pay if the doctor accepts assignment. The Part B deductible applies.

What are Medicare Part B Covered Services (continued)



Durable Medical Equipment	Items such as oxygen equipment and supplies, wheelchairs, walkers, and hospital beds for use in the home. Some items must be rented. Medicare is phasing in a program called “ competitive bidding ,” which means that in some areas, if you need certain items, you must use specific suppliers, or Medicare won’t pay for the item, and you’ll likely pay full price. Visit medicare.gov/supplier to find Medicare-approved suppliers in your area. You pay 20% of the Medicare-approved amount, and the Part B deductible applies.
Home Health Services	Medically-necessary part-time or intermittent skilled nursing care, and/or physical, speech, and/or occupational therapy(s), some home health aide services. You pay nothing for covered services
Other Services (including but not limited to)	Medically-necessary medical services and supplies, such as clinical laboratory services, diabetes supplies, kidney dialysis services and supplies, mental health care, limited outpatient prescription drugs, diagnostic X-rays, MRIs, CT scans, and EKGs, transplants and other services. Costs vary.

Part B Preventives



- “Welcome to Medicare” preventive visit
- Annual “Wellness” visit
- Abdominal aortic aneurysm screening
- Alcohol misuse screening and counseling
- Behavioral therapy for cardiovascular disease
- Bone mass measurement
- Cardiovascular disease screenings
- Colorectal cancer screenings
- Depression screening
- Diabetes screenings
- Diabetes self-management training
- Flu shots
- Glaucoma tests
- Hepatitis B shots
- HIV screening
- Mammograms (screening)
- Obesity screening and counseling
- Pap test, pelvic exam, and clinical breast exam
- Pneumococcal pneumonia shot
- Prostate cancer screening
- Sexually transmitted infection (STIs) screening and high-intensity behavioral counseling to prevent STIs
- Smoking cessation
- Advanced Directives counseling (free during annual wellness, 20% co-pay any other time)

Some Preventives are low-cost/no cost

Part B Costs and IRMAA



Premiums If your Yearly Income in 2021* was			2023 Monthly Premium
File Individual Tax Return	File Joint Tax Return	Married, File Separate Tax Return	
<i>If \$15,966 or less</i>	<i>If \$21,480 or less</i>	N/A	Apply for Medicare Savings Program
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$164.90
\$97,001-\$123,000	\$194,001-\$246,000	N/A	\$230.80
\$123,000.01-\$153,000	\$246,001-\$306,000	N/A	\$329.70
\$153,000.01-\$183,000	\$306,001-\$366,000	N/A	\$428.60
\$183,000-\$500,000	\$366,001-\$750,000	N/A	\$527.50
Greater than \$500,000	Greater than \$750,000		\$560.50

Annual Deductible -\$226/yr 2023 **Co-Pay** -20% of service/equipment no max out of pocket

* For what you pay in 2023 (IRMAA-Income Related Monthly Adjustment Amount)

What if my income has gone down?



Social Security Form 44

- Based on the following situations, Social Security may reconsider a higher premium amount, but they will need documentation verifying the event and reduction in income:
 - You married, divorced, or became widowed;
 - You or your spouse stopped working or reduced your work hours;
 - You or your spouse lost income producing property because of a disaster or other event beyond your control;
 - You or your spouse experienced a scheduled cessation, termination, or reorganization of an employer's pension plan
 - You or your spouse received a settlement from an employer or former employer because of the employer's closure, bankruptcy, or reorganization



Medicare Prescription Drug Coverage



Part D, Medicare Prescription Drug Coverage

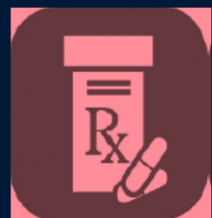
- Prescription drug plans approved by Medicare
- Run by private companies
- Available to everyone with Medicare
- Must be enrolled in a plan to get coverage
- Premiums, Deductibles and Co-pays vary by plan and by prescription

When You Can Join or Switch Medicare Prescription Drug Plans



Initial Enrollment Period	<ul style="list-style-type: none">▪ Same as Part B if enrolling at 65/disability▪ 2 months after not covered by employer
Medicare's Open Enrollment Period	October 15-December 7 each year *Coverage begins January 1
Medicare Advantage Open Enrollment Period	If enrolled in a Medicare Advantage plan at the start of the year, you have until March 31st to disenroll and sign-up for a Part D prescription drug plan or another Medicare Advantage Plan.
Special Enrollment Periods (SEPs)	<ul style="list-style-type: none">▪ You permanently move out of your plan's service area▪ You lose other creditable prescription coverage▪ You weren't adequately told that your other coverage wasn't creditable, or your other coverage was reduced and is no longer creditable▪ You enter, live at, or leave a long-term care facility▪ You qualify for Extra Help (once a calendar quarter) You join or switch to a plan that has a 5-Star rating▪ You belong to a State Pharmaceutical Assistance Program– (<i>only available in TX for HIV and ESRD</i>) Other exceptional circumstances

Penalty for late enrollment in Part D -is calculated by multiplying the 1% penalty rate by the national base beneficiary premium (\$32.74 in 2023) by the number of full months you were eligible to join a Medicare drug plan but didn't. The penalty calculation isn't based on the premium of your plan.



Medicare Part D Costs-IRMAA



Premiums If your yearly income in 2021* was			2023 Monthly Premiums
File Individual Tax Return	File Joint Tax Return	Married, File Separate Tax Return	
\$97,000 or less	\$194,000 or less	\$97,000 or less	Your plan premium only
\$97,001-\$123,000	\$194,001-\$246,000	N/A	+\$12.20
\$123,000.01-\$153,000	\$246,000 -\$230-306,000	N/A	+\$31.50
\$153,000.01-\$183,000	\$306,000 -\$366,000	N/A	+\$50.70
Above \$183,000	Above \$366,000	Above \$97,000	+\$70.00

- Applies to both Part D and Part C plans with drug coverage;
- Has the same appeal process as Part B premium's income related monthly adjustment
- Best to compare every year by your individual list of prescriptions using www.medicare.gov Plan Finder or calling your Area Agency on Aging (Medicare SHIP)

Medicare Plan Finder-Part D



Comparing 3 Prescription Drug plans

[Back to results](#)

Drugs covered/Not covered

Estimated total drug + premium cost

Clear Spring Health Premier Rx (PDP)

Star rating:
Plan too new to be measured

\$13.80

Monthly premium

\$445.00

Yearly drug deductible

[Plan Details](#)

[Enroll](#)

4 of 4

Prescription drugs covered
[Restrictions may apply](#)

HEB PHARMACY

✓ Standard in-network
\$2,753.77

EL CAMPO PROFESSIONAL PHARMACY

✓ Standard in-network
\$2,763.03

WALGREENS #9739

✓ Standard in-network
\$2,770.81

Mail order pharmacy

✓ Preferred in-network
\$2,656.80

Amerivantage Rx Plus (PDP)

Star rating:
Plan too new to be measured

\$69.70

Monthly premium

\$0.00

Yearly drug deductible

[Plan Details](#)

[Enroll](#)

4 of 4

Prescription drugs covered
[Restrictions may apply](#)

HEB PHARMACY

✓ Preferred in-network
\$2,997.71

EL CAMPO PROFESSIONAL PHARMACY

✓ Standard in-network
\$3,081.32

WALGREENS #9739

✓ Standard in-network
\$3,081.32

Mail order pharmacy

✓ Standard in-network
\$2,993.17

Express Scripts Medicare - Choice (PDP)

Star rating: ★★★★★

\$82.10

Monthly premium

\$100.00

Yearly drug deductible

[Plan Details](#)

[Enroll](#)

3 of 4

Prescription drugs covered
[Restrictions may apply](#)

HEB PHARMACY

✓ Standard in-network
\$8,897.16

EL CAMPO PROFESSIONAL PHARMACY

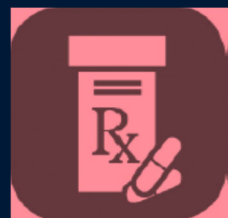
✓ Standard in-network
\$8,701.12

WALGREENS #9739

✓ Preferred in-network
\$8,763.90

Mail order pharmacy

✓ Preferred in-network
\$8,563.52



Coverage Periods with Rx Drugs



Coverage Period	What You Pay
Deductible	Full negotiated price until you reach your plan's deductible. Deductibles vary by plan, and not every plan has a deductible. A plan's deductible can be no higher than \$505 in 2023. For many plans, the deductible does not apply for tier 1 and tier 2 drugs.
Initial Coverage Period	After meeting a deductible, you pay a certain copayment or coinsurance, based on the tier of the drug on the plan's formulary.
Donut Hole/Coverage Gap	After total drug costs reach a certain amount (\$4,660 for most plans), you pay 25% of the cost of brand-name drugs and generics.
Catastrophic Coverage	Once you have spent \$7,400 out-of-pocket on drugs, your costs go down to 5%, or \$4.15 for generics and \$10.35 for brand-name drugs, whichever is greater.

New for 2023!



- Part D vaccinations recommended by the CDC will be covered at \$0 co-pay, including SHINGLES vaccine.
- Insulins covered by Part D will be covered at a \$35 copay cap effective January 1, 2023
- Insulins covered by Part B will be covered at a \$35 copay cap effective July 1, 2023
- Came into effect due to the Inflation Reduction Act signed in August by President.

Medicare Supplement/Medigap



- Optional coverage
- Cannot have a Part C Plan (Only for Original Medicare)
- Private Insurance Companies
- Loosely regulated by Medicare & State Dept of Insurance
- Covers out-of-pocket costs associated with Original Medicare
- Prices vary
- Medigap Policy cannot deny you, if you apply when enrolling in Part B for the first 6 months (or only 63 days after involuntarily losing most other health coverage for Plans A, B, C, F, K)
- As of January 1, 2020, Plans C, F and High Deductible F cannot be sold to those newly eligible for Medicare. Newly eligible is defined as anyone who: (a) attains age 65 on or after January 1, 2020, or (b) who first becomes eligible for Medicare benefits due to age, disability or end-stage renal disease on or after January 1, 2020.
- Those enrolled in Plans C, F or High Deductible F prior to January 1, 2020 may keep their plan. Those individuals who became eligible for Medicare prior to January 1, 2020 may keep or purchase Plans C, F or High Deductible F after December 31, 2019.
- May not need if you have retiree health benefits plan (consult HR)
- For more information on Medigap policies, your Area Agency on Aging Medicare SHIP Counselor can send you a vetted Insurance Broker list.



Part C-Medicare Advantage Plans



Part C Medicare Advantage Plans (like HMOs and PPOs) This includes Part A, Part B & usually Part D

Managed Care Organizations (MCO) plans approved by Medicare:

- Run by private companies
- Can have End-Stage Renal Disease (ESRD)
- Bundles Parts A, B and D into an HMO or PPO managed healthcare plan.
- May include extra benefits
 - Like vision or dental or medical transportation
- Benefits and cost-sharing may be different

Part C Costs:

- Must still pay Part B premium
 - Some plans may pay all or part for you
- You may also pay monthly premium to plan
- You pay deductibles/coinsurance/copayments
 - Different from Original Medicare
 - Varies from plan to plan
 - Costs may be higher if out of network
 - Often requires pre-authorization of services
 - Need to check if accepted by preferred physicians, hospitals, therapists and pharmacies



Part C Enrollment



- Must be eligible for Part A & B
- **Cannot be enrolled in an Employer's Health Plan**
- Open Enrollment: Oct. 15 –Dec. 7
- Medicare Advantage Open Enrollment Period-If you are enrolled in a Medicare Advantage plan, you can change to another Medicare Advantage plan, or choose to switch to Original Medicare with Part D coverage: January 1-March 31
- Trial Right –1 year to switch to Original Medicare (and sign-up for Medigap) if enroll in a Part C Plan when first eligible for Medicare Part A at age 65.
- Can dis-enroll if move out of plan's service area, admitted to a SNF, or upgrade to a 5-star Advantage Plan



Before Enrolling In a Part C



Call all of your following:

- primary physician (__accepts plan __does Not accept)
- specialist physicians (__accepts plan __does Not accept)
- hospital (__accepts plan __does Not accept)
- pharmacy (__accepts plan __does Not accept)
- *Since an insurance company can have more than 1 Advantage Plan be sure to specify which one*

Medicare Savings Program and Prescription Cost Assistance



Medicare Savings Program

- Qualified Medicare Beneficiary (QMB)
 - Income limit: \$1,235 monthly (\$1,663 for a married couple);
 - Pays for Part A premiums, Part B premiums, Part A&B deductibles, coinsurance, and copays.
- SLMB & QI
 - Income limit: \$1,660 monthly (\$2,239 for a married couple);
 - Pays for Medicare Part B premium

Resource limits: Bank accounts, stocks, bonds, and other investments cannot value more than \$9090 for an individual (\$13,630 for a married couple). NOT including your home/car

*Income may be higher if you are supporting other family members in your home or if you have income from still working

Prescription Cost Assistance

- Medicare Extra Help (LIS) for those with monthly income less than \$1,843/individual or \$2,485/couple*
- Resource limits: Bank accounts, stocks, bonds, and other investments cannot value more than \$16,630 for an individual (\$33,240 for a married couple), NOT including your home and car.
- Saves the average person \$4,000/year

*Income can be higher if receiving earned income from working or caring for a dependent in the home (must appeal with Texas Legal Service Center in TX for household size)

Medicare Enrollment Periods



Initial Enrollment Period

- **For individuals newly eligible for Medicare:**
 - 7-month initial enrollment period
 - 3 months before 65th birthday, your birthday month, and 3 months after 65th birthday
- **Enrollment Process:**
 - Those receiving Social Security benefits (disability or retirement) will be automatically enrolled in Medicare. Social Security will mail out their card;
 - Those not receiving Social Security benefits need to contact Social Security to enroll (you do not need to sign up for retirement benefits to get Medicare);
 - During the 7-month initial enrollment period you can sign up for a Part D prescription drug plan or Part C advantage plan.
- **Delaying Enrollment:**
 - You can delay enrollment in Medicare if you have credible coverage (more on this later)
- **ESRD and ALS**
 - Enrollment process is different if an individual under 65 is eligible due to a diagnosis of ESRD or ALS.

General Enrollment Period

- If you miss your initial enrollment period, and have no credible coverage, you must wait until the General Enrollment Period to sign-up for Medicare Part A and/or Part B.
- January 1st-March 31st, with coverage starting the first day of the month after enrollment. *New for 2023 *
- Sign up by calling SSA

Medicare Advantage Open Enrollment Period

- January 1st-March 31st, If enrolled in a Medicare Advantage plan, you can switch to another Medicare Advantage plan, or switch to Original Medicare with a Part D
- Coverage will start the 1st of the month after you make the change.

Late Enrollment Penalties



Someone can incur a late enrollment penalty if they do not enroll in Medicare when they are first eligible and do not have creditable coverage at the time of their initial enrollment.

- Part A penalty is only applicable if you are not eligible for Premium Free Part A. The penalty lasts for twice the number of years you didn't sign up.
- Part B late enrollment penalty: 10% additional premium for each full 12-month period that you could have had coverage but did not sign up for it
- Part D late enrollment penalty: 1% of the "national base rate premium" (\$32.74 in 2023) times the number of full, uncovered months that you didn't have Part D or credible coverage**

Examples of Late Enrollment Penalties



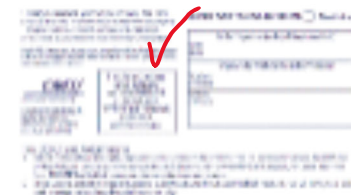
- Joe only has 30 Medicare-eligible work credits and signs up for Medicare Part A two years after his Initial Enrollment Period. Joe will be penalized 10% per month, for four years for signing up late.
- Mary fails to sign up for Medicare Part B during her Initial Enrollment Period because she didn't know she had to. She signs up for Medicare during the General Enrollment Period when she turns 70. She will have a 50% per month premium penalty on Medicare Part B.
- Jane missed her Special Enrollment Period for Medicare Part D when she retired at 67 by 2 months. She waits to sign up during the Open Enrollment Period 6 months later. Jane will be penalized for the 8 months she didn't have it, for the rest of her Medicare enrollment at 1% of the national base rate premium.

Working Past 65



4 Options for Employees Turning 65 and coordination of benefits

Retiring Medicare Only	<p>Retire from Job, Enroll in Medicare</p> <ul style="list-style-type: none"> •Enroll in Medicare Parts A & B online or at SSA Office, Enroll in Part D or C with help from Area Agency on Aging •Depending on retiree health benefits or VA, consider enrolling in Medicare Medigap Plan
Working Medicare Only	<p>Continue Working</p> <ul style="list-style-type: none"> •Decline Employer's Group Health Plan and Enroll in Medicare A, B & D •Depending on retiree health benefits or VA, consider enrolling in Medicare Medigap Plan •Employers with <20 employees do not have to offer employer group health plan (ERISA)
Working Employer's Plan Only	<p>Continue Work, Delay Medicare Parts B & D</p> <ul style="list-style-type: none"> •Enroll in Medicare Part A •Decline Medicare Part B on Medicare Card (if taking Social Security benefits) or Call SSA and schedule a phone or office interview to show you have employer coverage. When you retire, get a letter from employer's plan stating you had creditable coverage.
Working Medicare & Employer's Plan	<p>Continue Work, Enroll in Both your Employer's Plan & Medicare</p> <ul style="list-style-type: none"> •Ask your employer's plan if it allows for you to be enrolled in both, esp. Part D (C is NOT an option) •You will have to pay premiums of both Medicare Parts B& D and your employer's plan •Your employer's plan will determine which doctors /providers are covered (in-network) •Consider enrolling in Medigap plan before 63 days after retired



Enrolling After Losing Credible Coverage



- If you delayed enrollment into Medicare due to having creditable coverage through an employer's health plan:
 - Part B -Up to 8-months after not covered by employer's plan (COBRA does not count as coverage exempting from Part B). You'll need forms CMS-40b and CMS-L564 to submit to SSA for enrollment
 - Part D - up to 2 months after not covered by employer's plan (different from Part B, COBRA can count as coverage allowing longer delay in enrolling in Part D)
 - Medigap plan – If in conjunction with Medicare Part B enrollment, 6 months from start of Part B OR up to 63 days after involuntarily losing coverage that supplements Medicare (including employer plan, Medicare Advantage plan, retiree coverage, or COBRA coverage)

Default Enrollment Option



For Newly Medicare Advantage Eligible Medicaid Managed Care Plan Enrollees

- CMS-4182-F (83 FR 16495 through 16502): CMS will permit automatic enrollment of Medicaid managed care plan enrollees into an integrated dual eligible MA special needs plan (D-SNP) offered by the same organization
- Managed Care plans must get approval from CMS in order to participate in Default Enrollment
- This is updated guidance from what was known as “Seamless Conversion”
- Beneficiary must **ACTIVELY** decline this automatic enrollment in a Medicare Advantage Plan (enrolling in Part B and another Part D will not stop the conversion)
- Currently no plans in Texas have authorization for Default Enrollment

Medicare and HSAs



Health Savings Accounts (HSAs) are accounts for individuals with high-deductible health plans (HDHPs). Funds contributed to an HSA are not taxed when put into the HSA or when taken out, as long as they are used to pay for qualified medical expenses. Your employer may oversee your HSA, or you may have an individual HSA that is overseen by a bank, credit union, or insurance company.

- People with Medicare Part A **or** B can **NOT** contribute pre-tax dollars to HSAs.
- If a person enrolls in Medicare part way through the year and still has money in their HSA, they can still use that money as long as it's for qualified medical expenses.
- If you choose to delay Medicare enrollment because you are still working, have creditable coverage and want to continue contributing to your HSA, you must also wait to collect Social Security retirement benefits. This is because most individuals who are collecting Social Security benefits when they become eligible for Medicare are automatically enrolled into Medicare Part A.
- The final year's contribution is pro-rata ($\text{\#months before enrolled in Medicare/HSA yearly limit} = \text{allowed contribution}$)
- If you decide to delay enrolling in Medicare, make sure to stop contributing to your HSA at least six (6) months before you do plan to enroll in Medicare. This is because when you enroll in Medicare Part A, you receive up to six months of retroactive coverage, not going back farther than your initial month of eligibility.
- ***IRS pub. 969*** for more information on HSA's and Medicare

Medicare and FSA's



Flexible Spending Accounts are **spending** accounts that allow employees to pay for medical expenses with pre-tax dollars.

- People with Medicare Part A or B can contribute money to FSAs.
- FSAs cannot be used to pay for Medicare premiums

Working Past Age 65 or Disability Who Pays First?



If You?	Situation	Pays 1 st	Pays 2 nd
Are 65 or older and covered by a group health plan because you or your spouse is still working	The employer has 20 or more employees	Group Health Plan	Medicare
	The employer has less than 20 employees *	Medicare	Group Health Plan
Are under 65 or have a disabled dependent under age 65 enrolled in Medicare and covered by your work's group plan (i.e. spouse)	The employer has 100 or more employees	Group Health Plan	Medicare
	The employer has 100 or less than employees	Medicare	Group Health Plan
Retired and qualified for retiree health insurance	Enrolled in Medicare and retiree health insurance	Medicare	Retiree Health Insurance

*For multi-employer plans, the largest employer within the multi-group plan determines the size of the plan for all enrollees.

*To qualify as a Group Health Plan, the plan must be available to at least 2 employees.

*Employers with less than 20 employees do not have to offer Group Health Plan to persons eligible for Medicare (ERISA)

*SHOP Plans are treated the same as any employer Group Health Plan (can have SHOP and Medicare)

Leaving Work due to Disability

Who Pays First?



If You?	Situation	Pays 1 st	Pays 2 nd
Have End-Stage Renal Disease (ESRD) and group health plan coverage (including a retirement plan) or COBRA	First 30 months of eligibility or enrolled in Medicare	Group Health Plan/COBRA	Medicare
	After 30 months of eligibility or enrolled in Medicare	Medicare	Group Health Plan/COBRA
Are 65 or over OR disabled (other than by ESRD) and covered by Medicare and COBRA coverage	Enrolled in Medicare and covered by COBRA. If you have Medicare first, you can qualify for COBRA. If you have COBRA first, it will likely be cancelled when you're eligible for Medicare.	Medicare	COBRA
Enrolled in Medicare and are covered under worker's compensation because of job related illness/accident	Enrolled in Medicare and covered by worker's compensation	Workers' compensation only for services or items related to workers' compensation claim	Usually doesn't apply. However, Medicare may make a conditional payment that must be repaid to Medicare when a settlement or other payment is made.

Some notes on End-Stage Renal Disease



- Different rules for eligibility, enrollment periods, and coordination of benefits apply for those eligible for Medicare because of ESRD;
- Those with ESRD can contact SSA to enroll. Medicare will start on the 1st day of the 4th month of dialysis treatment, or the 1st month of dialysis treatment if done at home. Medicare also covers kidney transplants;
- If the person has coverage through an employer group health plan, there is a 30-month coordination of benefits period where the group health plan will pay primary, Medicare will pay primary after this.
- There is no Special Enrollment Period for Part B coverage after credible coverage ends. They will have to wait for the General Enrollment Period. For this reason, it is suggested someone enroll in both Parts A and Parts B or not enroll at all;

Some notes on ALS/Lou Gehrig's



- ALS gives a beneficiary immediate Medicare eligibility as soon as SSDI is approved.
- SSDI has a 5-month waiting period for approval
- If beneficiary is under 65, Medigaps may still be hard to obtain even with a guaranteed issue right

COBRA and Medicare



- Once a person under 65 is determined disabled by social security, that person must wait **24 months from the date of disability benefit** (25th month) before being eligible to enroll in Medicare.
- May qualify for Medicaid directly after determined disabled if his/her income and assets are below the limits.
- If he/she does not qualify for Medicaid or Medicare by age, then disability insurance, COBRA or other coverage will be needed for medical coverage. COBRA only covers 18 months, so applying for a COBRA extension may be needed to bridge the gap to 25th month. COBRA does **not** count as coverage exempting from Part B, but can exempt from Part D
- Medicare Compassionate Care Allowances (i.e., some stage 4 cancers) speed up SSDI approval but still must wait 24 months from disability for Medicare
<https://www.ssa.gov/compassionateallowances/conditions.htm>

Retiring Veterans and Medicare



Questions to ask VA beneficiaries when considering enrolling in Parts B and D or supplemental plans:

- What medical benefits are you eligible for through VA? (contact VA or DAV)
- VA may cover dental, vision and hearing aids depending on veteran's service (contact VA or DAV)
- Where you plan to retire, is there a VA clinic, hospital or federal provider nearby? If not, are you eligible for a VA fee-basis ID card and are there doctors in the area who will accept VA fee-basis billing? (contact VA)
- TRICARE for Life (retirees) beneficiaries must enroll in Medicare Parts A and B at age 65
- CHAMPVA requires Part A and Part B only for those who turned 65 after 2001* (veterans permanently and totally disabled, or surviving spouse/children)

If You?	Situation	Pays 1 st	Pays 2 nd
Are a Veteran and have Veterans' benefits	Entitled to Medicare and Veterans' benefits	Medicare pays for Medicare-covered services or items. Veterans' Affairs pays for VA-authorized services or items.	Usually doesn't apply Note: Generally, Medicare and VA can't pay for the same service or items.
Are covered under TRICARE (usually TRICARE for Life)	Entitled to Medicare Parts A and B and TRICARE	Medicare pays for Medicare-covered services or items. TRICARE pays for services or items from a military hospital or any other federal provider.	TRICARE may pay second. TRICARE will pay the Medicare deductible and co-pay amounts for any service not at a military/VA hospital/clinic or provider that TRICARE covers (i.e. go to a regular hospital for emergency care)
CHAMPVA (line of duty disabled)	Entitled to Medicare and CHAMPVA	Medicare	CHAMPVA

Health Insurance Marketplace Plans and Medicare



- If you have a Health Insurance Marketplace Plan, you can keep the plan you already have and enroll in Medicare,
- But if you have Medicare already, it is illegal for an insurance agent to enroll you in a Health Insurance Marketplace Plan.

If You?	Situation	Pays 1 st	Pays 2 nd
If you have a Health Insurance Marketplace and age into Medicare	Entitled to Medicare and Veterans' benefits	Medicare	Health Marketplace Plan

If you are:	Can you keep your individual Marketplace QHP after enrolling in Medicare?	Are you eligible to continue receiving tax credits and reduces cost-sharing?
Currently enrolled in a QHP and become entitled to free Part A	Yes	No. Any tax credits the individual is receiving in the QHP will be discontinued once Part A coverage begins.
Currently enrolled in a QHP and become eligible to buy Premium Part A and Part B	Yes	Yes, if you only enroll in Part B, because Part B does not constitute Minimum Essential Coverage. No, if you enroll in Premium Part A.

Things to consider



- Talk to your employer's plan on how it works with Medicare. Does your employer's plan allow you to be enrolled in their plan and Medicare Part B and D? Does your plan meet the criteria as "creditable" to delay enrolling in Part B and D?
- Dependents who need health coverage (younger spouse, children). Medicare does not cover dependents.
- Cost (compare premiums, deductibles and co-pays; remember you cannot have Part C and an Employer's Plan)
- If spouse is eligible for Medicare and is a dependent on your employer's plan, compare costs of staying with employer's plan and spouse enrolling with Medicare B & D
- Do your preferred physicians take Medicare?
- Do you have an HSA (not an FSA) and need or may want to delay enrolling in Part A and B?
- Retiree health benefits from previous employer. Some require enrollment into Medicare in order to maintain retiree health benefit eligibility since they will pay secondary to Medicare.
- Medicare does not cover dental, vision or hearing. If you choose to enroll in Parts B & D, can you keep your employer's vision and dental plans if separate from the medical plan?
- If you will be applying for Social Security benefits under your higher FICA contributing spouse or ex-spouse (married 10 years and you have not re-married), you will need an appointment with SSA to enroll in even just Part A (cannot do online)

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