

City of Alexandria, Virginia

Understanding Medicare

Division of Aging and Adult Services

City of Alexandria, VA

VICAP Program

(703) 746-5999





Medicare Basics

We will cover:

What is VICAP?

What is Medicare?

When and how to enroll?

Medicare A: Inpatient Insurance.

Medicare B: Outpatient Insurance.

Medicare Supplement Insurance (Medigap).

Medicare C: Medicare Advantage Private Insurance.

Medicare D: Prescription Drug Insurance.

Programs for People with Limited Income & Resources.

Preventing Fraud.



What is VICAP?

VICAP: Virginia Insurance Counseling and Assistance Program

Located in the Division of Aging and Adult Services

6101 Stevenson Avenue, suite 200

Alexandria, VA 22304

703-746-5999

www.alexandriava.gov/aging

VICAP@alexandriava.gov

- **Run by volunteers with one part time coordinator**
- **Funded by the City of Alexandria and The Administration for Community Living (ACL) to provide free, independent, and unbiased Medicare counseling**

What is Medicare?



Federal Government Medical Insurance Program for:

- Adults 65 and Older
 - Adults on SSDI for 2 years
 - People with ESRD (End-Stage Renal Disease) and ALS (Amyotrophic Lateral Sclerosis)
-
- Administration
 - Centers for Medicare & Medicaid Services (CMS)

 - Enrollment
 - Social Security Administration for most
 - Railroad Retirement Board (RRB)

Enrollment



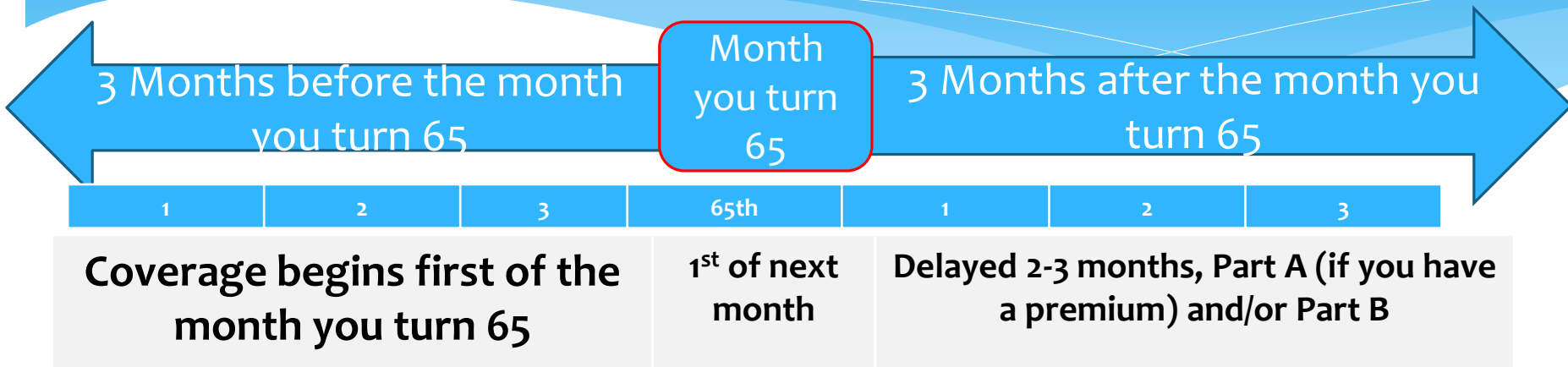
- Automatic if you already get Social Security
 - 3 months before age 65, or
 - 3 months before your 25th month of disability benefits
- You will Receive Enrollment Package in mail
 - Includes your Medicare card
 - If you don't want Part B, complete form (CMS-1763) on the back of enrollment letter and return Medicare card or call Social Security to dis-enroll
- If not receiving SSA benefits you must enroll:
 - Visit [socialsecurity.gov](https://www.socialsecurity.gov), or
 - Call 1-800-772-1213
 - TTY: 1-800-325-0778, or
 - Make an appointment to visit your local office



When to Enroll in Medicare

During your 7 Month Initial Enrollment Period (IEP)

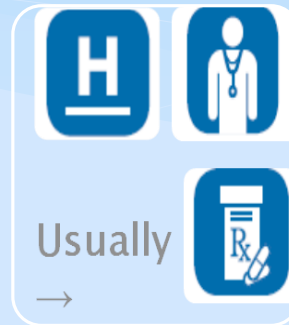
7-Month Period



- Can enroll in premium-free Part A anytime after IEP begins
- Can only enroll in Part B (and premium Part A) during IEP and other limited times
- May have a lifetime penalty if you don't enroll during IEP



The Four Parts of Medicare



Part A
Hospital
Insurance

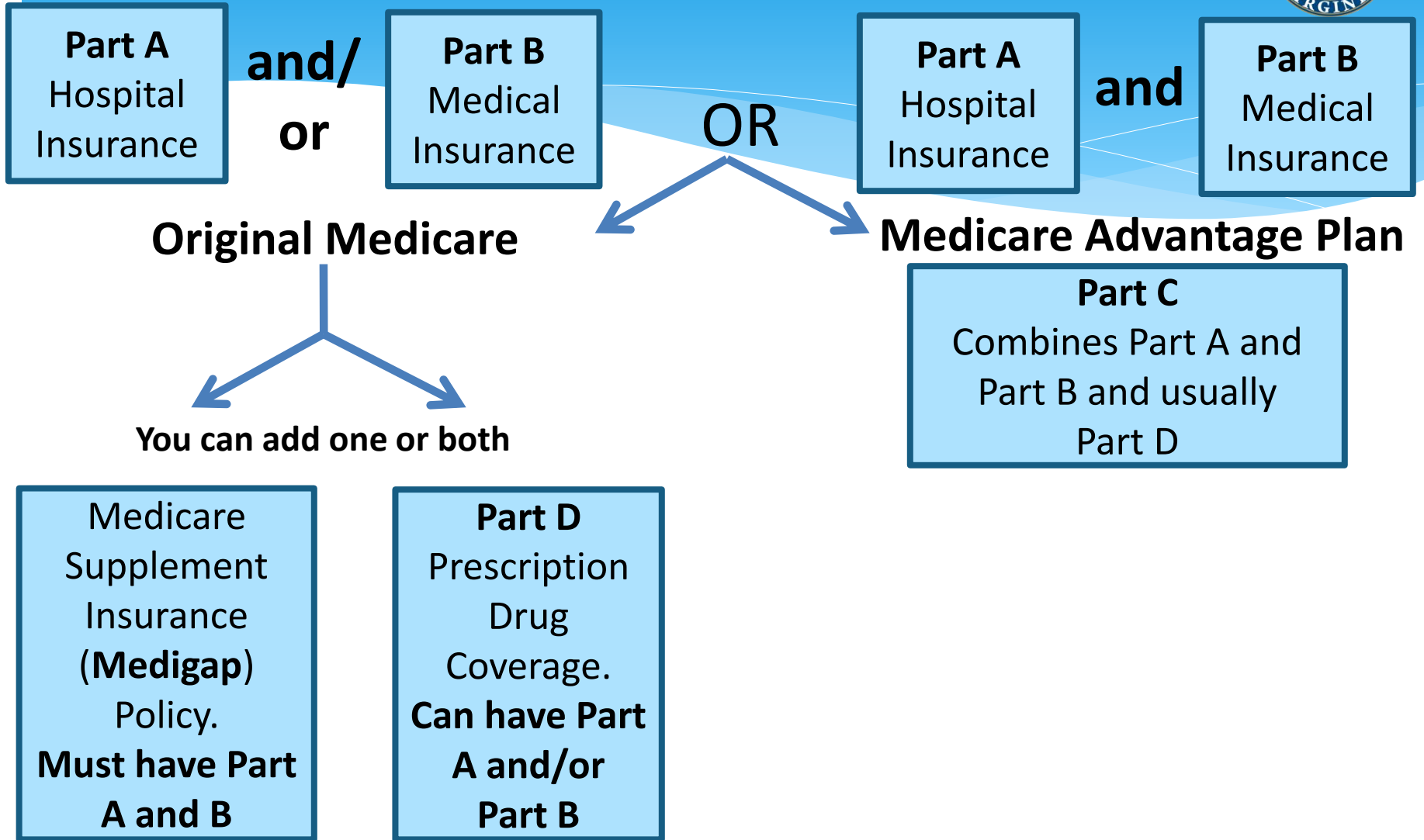
Part B
Medical
Insurance

Part C
Medicare
Advantage
(like HMOs
and PPOs)

Part D
Medicare
Prescription
Drug
Coverage

*** AB = Original Medicare**

Your Medicare Coverage Choices



Medicare Part A (Hospital Insurance)



- Most people receive Part A premium free if paid Medicare taxes for at least 10 years.
- If fewer than 10 years of employment, you pay a premium to get Part A
- For information, call SSA at 1-800-772-1213
 - TTY users call 1-800-325-0778
- Deductible for 1st 60 days (benefit period): **\$1484**
 - Co-payment Days 61 – 90: **\$371 per day**
 - 60 Lifetime days: **\$742 per day**
 - Skilled Nursing Facility co-insurance: **\$185.50**

***Hospitalization = 3 inpatient days

***Medicare Outpatient Observation Notice (MOON) doesn't qualify as hospitalization and requires hospital to provide to individuals in outpatient care for more than 24hrs.

Medicare Part A Helps Pay For

Hospital Stays If you are Admitted as an Inpatient	Semi-private room, meals, general nursing, and other hospital services and supplies. Inpatient mental health care in psychiatric hospital (lifetime 190-day limit).
Skilled Nursing Facility Care	Semi-private room, meals, skilled nursing and rehabilitation services, and other services and supplies.
Home Health Care Services	Can include part-time or intermittent skilled care, and physical therapy, speech-language pathology, and occupational therapy.
Hospice Care	Includes drugs, medical, and support services from a Medicare-approved hospice.
Blood	In most cases, if you need blood as an inpatient, you won't have to pay for it or replace it.

Hospital outpatient prior authorization requirements



As of July 1, 2020, procedures often considered cosmetic will require prior authorization when performed in a hospital outpatient department

- blepharoplasty (droopy eyelids),
 - rhinoplasty (nose reshaping),
 - vein ablations, (varicose veins),
 - botox injections (migraine, muscle spasms)
- Proof of medical necessity/authorizations required 10 days prior to procedure



Medicare Part B

- Medical Insurance
- Enroll in your Initial Enrollment Period (IEP)
- You are eligible for a Special Enrollment Period (SEP) if you or your spouse are employed and covered by an Employer Group Health Plan
- With SEP you have 8 months to sign up for Part B without a penalty
- COBRA or ACA coverage does not count as “Current Employee” Coverage!

***Lifetime penalty will be assessed if you don't enroll during IEP and SEP: 10% for every year you were “uninsured”



Part B Covers

- Doctors' services
- Outpatient medical/surgical services and supplies (Durable Medical Equipment)
- Diagnostic tests
- Outpatient therapy
- Outpatient mental health services
- Some preventive health care services
- Other medical services

Enrolling in Medicare Part B

Automatic Enrollment for Some	<ul style="list-style-type: none">▪ If you already get Social Security, Railroad Retirement, or disability benefits▪ Must opt out if you don't want to be enrolled
Self-enrollment	Initial Enrollment Period (IEP)- 7 months around 65 th birthday
General Enrollment Period (GEP)	<ul style="list-style-type: none">▪ January 1 through March 31 each year▪ Coverage effective July 1▪ Premium penalty<ul style="list-style-type: none">– 10% for each 12-month period eligible but not enrolled– Paid for as long as the person has Part B– Limited exceptions

Medicare Part B Premium



Premium: **\$148.50** if you paid this amount out of your SSA check last year or newly enrolled

***highest premium is **\$504.90** (**\$500,000**) single
(**\$750,000**) married

Deductible: **\$203 per year**

Co-insurance: **20%** for most services Part B covers

Medicare Part B Premium



- **Higher Part B premium for higher-income beneficiaries**
 - Income related monthly adjustment amount (IRMAA)
The percentage increases as income increases
 - Income is based on **2019** income reported to the IRS

 - The IRMAA premium can be deducted from a beneficiary's monthly SSA benefit
 - Beneficiaries will receive a notice from SSA
 - If it is not paid, you will lose your Part B coverage

Paying the Part B Premium



- Deducted monthly
 - Social Security
 - Railroad retirement
 - Federal retirement payments
 - If not deducted
 - Billed every 3 months, or
 - Use Medicare Easy Pay
- (Authorization Agreement for Preauthorized Payments form (SF-5510))
- Contact SSA, RRB or OPM about paying premiums



Part B Services Costs

- In Original Medicare you pay
 - Yearly deductible of **\$203** in **2021**
 - 20% coinsurance for most services
 - Some copayments
- Some programs may help pay these costs

Part B Penalty



- If you sign up late for Medicare Part B, you will incur a late penalty, which will be added to your monthly premium, **for as long as you have Part B.**
- Your Part B premium will go up 10% for each full 12-month period that you could have had Part B but did not.

Assignment



- Medicare doctors, providers and suppliers who
 - Accept the Medicare-approved amount
 - As full payment for covered services
 - Only charge Medicare deductible/coinsurance amount
 - They submit your claim to Medicare directly
- Applies to Original Medicare Part B claims
- We say “accepts assignment”

Providers who do NOT Accept Assignment



- May charge more than Medicare-approved amount
 - Limit of 15% more for most services:
“The limiting charge”
- May ask you to pay entire charge at time of service; you may have to submit claim to Medicare
- Providers sometimes must accept assignment
 - Medicare Part B-covered Rx drugs
 - Ambulance providers



Private Contracts

- Written agreement between patient and health care provider who does not provide services to Medicare beneficiaries
- Medicare will not pay for any service from these providers - the provider cannot bill Medicare nor can you
- If you have private secondary insurance, you may need to submit to Medicare and denied before submitting re-imbusement request to your private secondary insurance.

Medicare Coverage Exclusions



- Long-term care
- Routine dental care and dentures
- Cosmetic surgery
- Acupuncture

some exceptions

- Chronic pain as defined by CMS
- 12 session in a 90- day period with the possibility of 8 additional sessions annually

- Hearing exams and hearing aids
- Vision exams and eye glasses

***Medicare will cover cataract surgery, if it's medically necessary and corrective lenses after surgery.

Medigap



- Medigap (Medicare Supplement Insurance)
 - Private health insurance for individuals
 - Covers the 20% coinsurance
- 10 Standardized plans- Identified by letters (Plan A, Plan B, etc.) (see page 71 “Medicare & You”)
- Costs vary by company
- Does not work with Medicare Advantage
- You pay a monthly premium in addition to Part B premium



Medigap Policies

What Medigap Plans Cover

Note: A Check ✓ means 100% of the benefit is paid.

Medicare first eligible before 2020 only

Medigap Benefits	Plans Available to All Applicants							
	A	B	D	G ¹	K	L	M	N
Medicare Part A Coinsurance and Medigap Coverage for hospital benefits	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B Coinsurance and Copayment	✓	✓	✓	✓	50%	75%	✓	✓ copays apply ³
Blood (first three pints)	✓	✓	✓	✓	50%	75%	✓	✓
Part A Hospice Care Coinsurance or Copayment	✓	✓	✓	✓	50%	75%	✓	✓
Skilled Nursing Facility Coinsurance			✓	✓	50%	75%	✓	✓
Medicare Part A Deductible		✓	✓	✓	50%	75%	50%	✓
Medicare Part B Deductible								
Medicare Part B Excess Charges				✓				
Foreign Travel Emergency (up to plan limits - \$50,000) Separate deductible \$250/year			80%	80%			80%	80%
2021 Out of Pocket Limits					² \$6220	² \$3110		

C	F ¹
✓	✓
✓	✓
✓	✓
✓	✓
✓	✓
✓	✓
✓	✓
80%	80%

¹ Plans F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,340 in 2020 before your policy pays anything.

² Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$203 in 2021), the Medigap plan pays 100% of covered services for the rest of the calendar year.

³ Plan N pays 100% of the Part B coinsurance. You must pay a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.

When Is the Best Time to Buy a Medigap Policy?



- Your Medigap **Guaranteed Issuance Period** begins the month you're 65 AND enrolled in Part A & B
 - You have protections - companies **MUST** sell you a plan if in your **Guaranteed Issue Period, which starts once you've turned 65 or enroll in Part B and lasts 6 months**
 - You can also buy a Medigap policy whenever a company agrees to sell you one but there may be restrictions or underwriting

Medigap/Supplement Enrollment Exceptions



- You have 30 days to decide if you want to keep the Medigap policy, known as “free look period.”
- You can change Medigap/Supplement policies if coverage in your area is no longer offered or policy/plan is discontinued.
- You signed up for a Medicare Advantage plan for the first time, and within 12 months, decide you want to drop the MA plan and buy a Medicare Supplement policy instead.

Medigap for under 65



- Medigap is now available for those who have Medicare under age 65
- Beneficiaries have a new six-month open enrollment period to purchase any of the standardized Medigap plans.
- When Medicare beneficiaries due to disability turn 65, they have the same options to purchase a Medigap plan as everyone else and wider options for Medigap policies and premiums.

Medicare Part C Plans “Advantage (MA) Plans”



- You get Medicare-covered services through the plan
 - All Part A and Part B covered services
 - Some plans may provide additional benefits
- Run by private companies but part of Medicare
- You must pay your Part B premium and most plans charge you a monthly premium
- Most plans charge a co-payment and may have deductibles
- Most plans include prescription drug coverage
- May have to go to network healthcare providers

Medicare Part C Plans

“Advantage (MA) Plans” cont’d



- You are still in the Medicare program
- You still have Medicare rights and protections
- You still get regular Medicare-covered services
- You may get extra benefits such as: vision, hearing, or dental care
- Plans have ratings - up to 5 stars
- Benefits and cost-sharing may be different than in Original Medicare

Medicare Part C Plans

“Advantage (MA) Plans” cont’d



- Health Maintenance Organization (HMO)
- Preferred Provider Organization (PPO)
- Private Fee-for-Service (PFFS)
- Special Needs Plan (SNP)
- You must live in plan’s service area
- You must have Medicare Part A **and** Part B

Medicare Advantage Supplemental Benefits



MA plans may offer supplemental benefits if “primarily health related.”

- Diagnose, prevent, or treat an illness or injury
- Compensate for a physical impairment, or act to ameliorate the functional or psychological impact of injuries
- Reduce emergency and health care utilization

Supplemental benefits must be medically appropriate and recommended by a licensed provider as part of a larger care plan.

*****Not everyone will be eligible for all benefits advertised*****

Joining or Switching Medicare Advantage plans



Initial Enrollment Period (IEP)	<ul style="list-style-type: none"> ▪ 7 months period ▪ Starts 3 months before month of eligibility ▪ End 3 months after you turn 65
Annual Election Period (Open Enrollment)	<p>October 15 – December 7 Coverage begins the 1st of the following year</p>
Medicare Advantage Open Enrollment	<ul style="list-style-type: none"> ▪ January 1 to March 31st ▪ If you're in a MA Plan, you may switch to another MA plan (with or without drugs) ▪ Disenroll from a MA plan, return to Original Medicare. If you do, you can join a drug plan
Special Enrollment Periods (SEP)	<ul style="list-style-type: none"> ▪ You permanently move and cannot stay in the plan ▪ You lose current employer coverage ▪ Other special circumstances or life events

Medicare Advantage Open Enrollment Period



- Open enrollment period - January 1 to March 31st
- Coverage begins the 1st of the following month.
- You **MUST** be in a Medicare Advantage (MA) plan on January 1st

You can:

- Switch Medicare Advantage plans
- Leave Medicare Advantage to join Original Medicare
- Add Part D if you return to Original Medicare

You cannot:

- Switch from Original Medicare to a Medicare Advantage Plan
- Change a stand alone Part D plan to another

Medicare Prescription Drug Coverage: Part D



- Available for all people with Medicare
- Provided through
 - Medicare Prescription Drug Plans
 - Medicare Advantage Plans
- You must have Medicare Part A and / or Part B
- You must live in plan service area
- You must enroll in a Medicare drug plan or face a penalty for late enrollment, unless you have creditable drug coverage

Joining or switching Part D Prescription Plans



Initial Enrollment Period (IEP)	<ul style="list-style-type: none">▪ 7 months period▪ Starts 3 months before month of eligibility
General Open Enrollment	October 15 – December 7 <ul style="list-style-type: none">▪ Can join or switch Part C/D plans
Special Enrollment Periods (SEP)	<ul style="list-style-type: none">▪ You permanently move out of you plans service are▪ You lose your <u>creditable</u> drug coverage▪ You weren't adequately informed your other coverage was not <u>creditable</u> or was reduced and is no longer creditable▪ You enter, live in or leave a long-term care facility▪ You have a QUARTERLY SEP if you qualify for Extra Help



Prescription Drug Costs

- **30** Plans available in Alexandria
 - Costs vary by plan
- Most people will pay:
 - Monthly premium of between **\$7.30-\$85.50**
 - Deductible (**\$445** limit)
 - Copayments or coinsurance
- Extra Help if you have limited income/resources
 - Coverage gap (“donut hole”) cost discounts due to ACA



Prescription Drug Costs

- **Higher Part D premium for higher-income beneficiaries**
 - Income related monthly adjustment amount (IRMAA)
The percentage increases as income increases
 - Income is based on **2019** income reported to the IRS

 - The IRMAA premium can be deducted from a beneficiary's monthly SSA benefit
 - Beneficiaries will receive a notice from SSA
 - It's not paid to Part D plans, it's payable to SSA
 - If it is not paid, you will lose your Part D coverage



Late Enrollment Penalty

- People who wait to enroll after their IEP
 - Pay additional 1% of base beneficiary premium
 - For every month eligible and not enrolled
 - For as long as they have Medicare drug coverage
 - **Except those with other creditable drug coverage:**
 - At least as good as Medicare prescription drug coverage
 - Or if you have “Extra Help”



Part D Formulary

Each Medicare Prescription Drug plan has a list of drugs that it covers, and this is called a formulary.

If Part D plans change their formularies mid-year, they are required to either provide 30 days notice of the change or a 30-day supply of the brand name medication.



Some Limitations

Opioids

- New opioid prescriptions for acute pain limited to **7-days**
- Morphine limited to 90 morphine milligram equivalent (MME) per day.
- Pharmacist will be informed about duplicate opioid therapy and concurrent use of opioids and benzodiazepines by patients.

MA plans

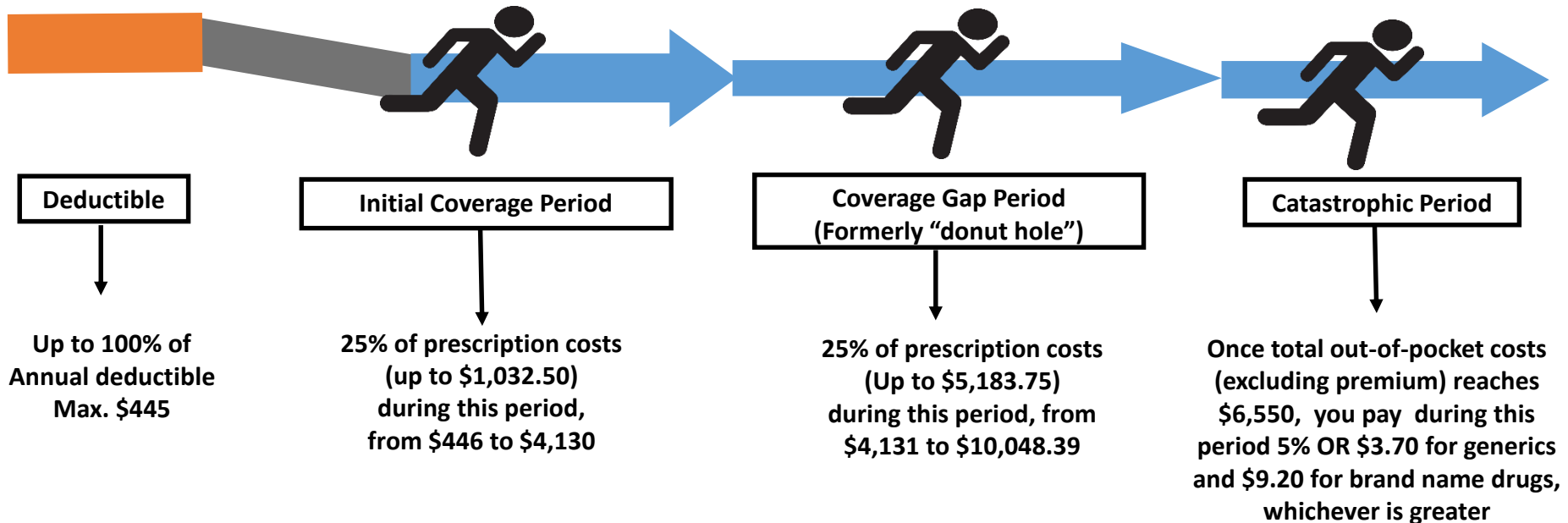
- Step Therapy requires that you try a **less-expensive medication** before the drug plan pays for another drug that your doctor may have originally prescribed.
- MA plans may apply step therapy requirements for physician administered Part B drugs.

Closing the Prescription Gap



MEDICARE PART D PRESCRIPTION DRUG BENEFIT IN 2021

Medicare's Basic Benefit: Besides the monthly premium, **you pay in 2021...**



DISCLOSURE: This chart represents the standard levels of coverage for Part D. Actual costs vary by company. Please refer to the chart listing Part D plans available in Virginia for more information. For a personalized appointment please call our intake line: 703-746-5999.

Extra Help with Drug Plan Costs



- **Help for people with limited income & assets 2021**
 - Income limit: Single: \$1,595* Couple: \$2,155*
 - Asset limit: Single: \$14,790 ** Couple: \$29,520**

- Some groups are automatically eligible
 - People with Medicare and Medicaid
 - Supplemental Security Income (SSI) only
 - Medicare Savings Programs

- Everyone else must apply at Social Security

* Income amounts reflect threshold without/with the \$20 monthly income disregard (annually = \$240); income is rounded to the nearest whole dollar. ** Asset limits include amount without/with \$1,500/person burial allowance.

Dual Eligible and Limited Income Advantages



- Extra Help (LIS) and Medicare Savings Program (MSP) recipients may make changes to their prescription drug plans once every quarter.
- Extra Help and Medicare Savings Program (MSP) recipients may also make changes to their plans :
- During annual Open Enrollment –Oct. 15-December 7
- Move out of a service area
- No longer receiving the LIS or MSP Benefit

Steps to Take to apply for Medicaid Services



- If you think you might qualify for MSP or Medicaid Expansion:
 1. Review guidelines
 2. Collect your financial documents
 3. Get more information and to apply:
 - Call Human Services Office: 855-635-4370
 - Go to <https://commonhelp.virginia.gov/access/>
 - Call your local VICAP: 703-746-5999

Fraud Prevention: Senior Medicare Patrol



▶ Read Your Medicare Summary Notices

- Report and prevent health care fraud and abuse
- If you suspect fraud, contact the medical provider about discrepancy
- Report suspected fraud or abuse to Senior Medicare Patrol at 1-800-938-8885



■ Other web sites

Virginia Bureau of Insurance:

877-310-6560 www.scc.virginia.gov/boi

Stop Medicare Fraud:

<https://stopmedicarefraud.org/>

For More Information



- Your local VICAP: 703-746-5999
- 1-800-MEDICARE (1-800-633-4227)
 - TTY users should call 1-877-486-2048
- *Medicare & You* handbook, CMS Pub. #10050
 - Other Medicare publications on www.medicare.gov
- www.medicare.gov
- www.cms.gov

QUESTIONS?



- **VICAP Office**

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