



# National Medicare TRAINING PROGRAM

## Welcome to Medicare!

Texas Instruments

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# What Is Medicare?

- Health insurance for
  - People 65 years of age and older
  - People under age 65 with certain disabilities
  - People of all ages with End-Stage Renal Disease
- Managed by Centers for Medicare & Medicaid Services (CMS)
- Sign up with Social Security or Railroad Retirement Board (RRB)

# Applying for Medicare

- Apply 3 months before age 65
  - Don't have to be retired
  - Contact Social Security
- Enrollment automatic if you get Social Security or Railroad Retirement benefits





# What Does COB Mean?

- Coordination of benefits
  - Streamlining the payment process
  - Protecting the Medicare trust funds
  - Supporting Part D plans in tracking TrOOP
    - True out-of-pocket costs
  - Providing quality customer service



# Identifying the Appropriate Payer

- Many possible coverage combinations
  - Medicare may be primary payer
  - Medicare may be secondary payer
  - Medicare may not make payment
- Data sources include
  - Initial Enrollment Questionnaire (IEQ)
  - Providers, group health plans, employers



# Initial Enrollment Questionnaire

- Improves how MSP information is gathered
- Mailed to people
  - About 3 months before Medicare entitlement
  - Requests other health insurance information
  - Five different questionnaires
  - Information entered in Common Working File
    - Maintains record of person's data



# When Medicare is Primary

- Medicare is the only insurance
- Other source of coverage is
  - Medigap policy
  - Medicaid
  - Retiree benefits
  - Indian Health Service
  - Veterans benefits and TRICARE for Life
  - COBRA continuation coverage
    - Except 30-month coordination period for people with End-Stage Renal Disease (ESRD)



# Medicare is Secondary

- To employer group health plans (EGHP)
  - Working aged: EGHP with 20 or more employees
  - Disability: EGHP with 100 or more employees
  - ESRD: EGHP of any size
    - 30-month coordination period
- To non-EGHP involving
  - Workers' Compensation (WC)
  - Black Lung Program
  - No-fault/liability insurance



# Employer Group Health Plans

- Offered by many employers and unions
  - Current employees
  - Retirees
  - Spouse or family members
- May be fee-for-service plan
- May be managed care plan
- Can choose to keep or reject



# Retiree Health Plans

- Medicare pays first
- Retiree coverage pays second
  - Might offer additional benefits
    - Prescription drug coverage
    - Routine dental care
  - Refer to plan's benefits booklet
    - Employer/union may change benefits, change premiums, or cancel

# Medicare Coverage Basics

- Part A (Hospital Insurance)
- Part B (Medical Insurance)
- Part C (Medicare Advantage Plan)  
(like an HMO or PPO)
- Part D (Medicare Prescription Drug Plan)

# Medicare Part A

- Most people don't pay a monthly premium for Part A
- People with less than 10 years of Medicare-covered work
  - Can still get Part A
    - Will pay a premium
- For information about Part A eligibility
  - Call Social Security
    - 1-800-772-1213
    - TTY users call 1-800-325-0778

# Enrolling in Medicare Part B

- You choose whether or not to enroll in Part B
  - Will pay monthly Part B premium
    - \$96.40 in 2009
- Initial Enrollment Period (IEP)
  - 7 months, starting 3 months before month eligible
- General Enrollment Period (GEP)
  - January 1 through March 31 each year
  - Coverage begins July 1
  - Premium penalty, in most cases

# Enrolling in Medicare Part B

- Some people can delay enrolling in Part B without penalty
  - If have employer or union group health plan
    - Based on your or your spouse's current job
    - Will get a Special Enrollment Period (SEP)
      - Sign up within 8 months after coverage ends

# Paying the Part B Premium

- Taken out of monthly payments
  - Social Security
  - Railroad retirement
  - Federal government retirement
- For information about premiums
  - Call Social Security, Railroad Retirement Board, or Office of Personnel Management

# Medicare Plan Choices

- Original Medicare
- Medicare Advantage Plans  
(like an HMO or PPO)
- Other Medicare Plans
- Medicare Prescription Drug Plans

# Original Medicare

- Go to any health care provider that accepts Medicare
- For Part A services in 2009, you pay
  - \$1,068 deductible for hospital stays up to 60 days
    - Additional costs after 60 days
  - Different costs for other Part A services
- For Part B services in 2009, you pay
  - \$135 annual deductible
  - 20% coinsurance for most Part B services
- Some programs may help with costs



# Medigap

## ■ Health insurance policy

- Sold by private insurance companies
- Must say “Medicare Supplement Insurance”
- Covers “gaps” in Original Medicare
  - Deductibles, coinsurance, copayments
  - Does not work with Medicare Advantage Plans
- Up to 12 standardized plans A – L
  - Except in Massachusetts, Minnesota, Wisconsin
  - So you can compare easily

# How Medigap Works

- You can buy a Medigap policy
  - Within 6 months of enrolling in Part B
    - Must be age 65 or older
  - If you lose certain kinds of health coverage through no fault of your own
  - If you leave your Medicare Advantage Plan
    - In some cases
  - Whenever the company will sell you one
- Pay a monthly premium
- Generally go to any doctor or specialist

# Medicare Advantage Plans

- Health Maintenance Organization (HMO) Plans
  - Some have Point-of-Service option
- Preferred Provider Organization (PPO) Plans
- Private Fee-for-Service (PFFS) Plans
- Special Needs Plans
- Medicare Medical Savings Account (MSA) Plans
  - Since 2007

# How Medicare Advantage Plans Work

- Usually get all Part A and B services through plan
  - May have to use the plan's providers
- May get extra benefits
  - Vision, hearing, dental services
  - Prescription drug coverage
- Still in Medicare program
  - Get all Part A and Part B services
  - Have Medicare rights and protections

# Medicare Prescription Drug Coverage

- Coverage began January 1, 2006
- All people with Medicare can join a plan
- Provided through
  - Medicare Prescription Drug Plans
  - Medicare Advantage and other Medicare plans
  - Some employers and unions

# Enrollment Periods

- Initial Enrollment Period (IEP)
  - 7 months
  - Starts 3 months before month eligible for Medicare
- Annual Coordinated Election Period (AEP)
  - November 15 through December 31 each year
  - Can join, drop, or switch coverage
    - Effective January 1 of following year
- Special Enrollment Period (SEP)

# Late Enrollment Penalty

- If you wait to enroll
  - Additional 1% of national base premium for every month eligible but not enrolled
  - Must pay the penalty as long as enrolled in a Medicare drug plan
- No penalty if you have other coverage at least as good as Medicare drug coverage



# Other Drug Coverage and Part D Enrollment Considerations

- Current coverage is creditable
  - Coverage as good as Medicare drug coverage
  - Can keep it as long as still offered
  - Won't pay penalty if enroll in Part D later
- Current coverage NOT creditable
  - Coverage not as good as Medicare drug coverage
  - Can enroll in Part D 11/15 – 12/31 each year
  - Late enrollment may result in penalty



# Important Considerations for People With Retiree Coverage

- Most retiree plans offer generous coverage for entire family
  - Employer/union must disclose how its plan works with Medicare drug coverage
  - Talk to benefits administrator for more information
- People who drop retiree drug coverage
  - May lose other health coverage
  - May not be able to get it back
  - Family members may lose coverage

# Extra Help With Drug Costs

- Available for many people with limited income and resources
  - Income limit in 2009
    - \$1,354/month (one person)
    - \$1,823/month (married couple)
  - Resource limit
    - \$12,510 (one person)
    - \$25,010 (married couple)

# Medicaid

- Federal and state program
  - For some people with limited income and resources
- If eligible, most health care costs covered
- Each state decides
  - Who is eligible
  - How people apply
- Office names vary
  - Social Services
  - Public Assistance
  - Human Services

# Other Savings Programs

- Medicare Savings Programs
  - Help from Medicaid paying Medicare premiums
  - For people with limited income and resources
  - May also pay deductibles and coinsurance
- State programs
- Programs of All Inclusive Care for the Elderly (PACE)



# For More Information

- 1-800-MEDICARE (1-800-633-4227)
  - TTY users call 1-877-486-2048
- [www.medicare.gov](http://www.medicare.gov)
- State Health Insurance Assistance Program (SHIP). In Texas, Dial 2-1-1.
- *Medicare & You* handbook
  - Other publications



# Summary

- Medicare coverage
- Original Medicare
- Medicare Supplement Insurance (Medigap)
- Medicare Advantage and other Medicare plans
- Medicare prescription drug coverage
- Medicaid and Medicare Savings Programs

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