

WELCOME TO MEDICARE 2020 GUIDE

- When do I need to enroll in Medicare?
- What is the difference between Medigap and Medicare Advantage?
- What is Original Medicare?
- What are useful tips for finding the right coverage?

... and much more!





Medicare Eligibility & Enrollment

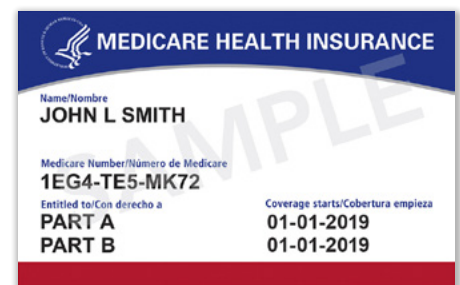
WHO IS ELIGIBLE?

- Medicare eligibility typically begins the first day of the month in which you turn 65 years old. One exception - if you were born on the first day of a month, you will actually become eligible for Medicare on the first day of the prior month.
- If you are under age 65, you can become eligible for Medicare if you have been on Social Security Disability Insurance for 24 months or if you have medical conditions such as End Stage Renal Disease or ALS.
- You must also be a U.S. citizen or permanent resident.

DO I NEED TO SIGN UP FOR MEDICARE PARTS A & B?

Covered by a Group Health Plan: If you (or your spouse) are still working and covered by a group health plan, you have the right to delay your enrollment in Medicare until such time that you are ready to leave the group health plan. Note that there is no penalty for delaying your Medicare enrollment when covered by a group health plan. However, you will need to compare the cost and benefits of the group health plan to see if staying on the group health plan will be your best option – especially if you are covered as a dependent spouse.

Offered a Retiree Group Health Plan: Retiree group health plans are typically offered to employees that are retiring from a large employer. Typically, you will need to enroll in Medicare A & B when being offered a retiree group plan; however, you will need to compare the cost and benefits being offered to determine if the retiree plan option will be right for you as compared with buying private coverage.



Typically, it is advantageous to sign up for Medicare Part A & B when you are first eligible; however, if you are working and currently covered by a group health plan, you may wish to delay enrollment in Medicare Part B until such time that you are ready to leave the group plan.


WHEN DO I NEED TO ENROLL?



Automatic Enrollment: If you are already receiving benefits from Social Security you will automatically be enrolled in Medicare Parts A & B (Original Medicare). Your Original Medicare card will be mailed to you a little more than 3 months ahead of the month in which you will be eligible.

Non-Automatic Enrollment: If you are not automatically being enrolled, you will need to take steps to get properly enrolled in Original Medicare. This is typically done in the 3-month period immediately before the month you turn 65. By enrolling during this 3-month period your Medicare coverage will begin on time (the first of the month you turn 65). If not enrolling in Medicare during this 3-month period, you will have a delayed start date for Medicare.

If you wait to enroll in Part B because you or your spouse are working and have group health coverage through an employer, you are allowed to enroll during a Special Enrollment Period. You can sign up for Part B during the 8-month period that begins the month after the employer plan coverage ends, or when the employment ends (whichever is first).

WHEN WILL MEDICARE BEGIN?



	 The month of your 65th birthday	Enroll 1 month after you turn 65	Enroll 2 months after you turn 65	Enroll 3 months after you turn 65
Enroll 3 months before your 65th birthday. Medicare begins 1st of the month you turn 65.	Medicare will begin the 1st of the next month	Medicare will begin in 3 months after your birth month	Medicare will begin in 5 months after your birth month	Medicare will begin in 6 months after your birth month

HOW DO I ENROLL IN MEDICARE?

Medicare enrollment is handled by the Social Security Administration. There are two options to completing your initial enrollment in Medicare (online or visiting a Social Security office).

- **Online:** Go online to ssa.gov/benefits/medicare. Note that you will be prompted to register and create a secure online account if you do not already have one.
- **In Person:** Visit a local Social Security office to get help enrolling in Medicare.

Local Social Security Office:

1528 South 16th Street
Wilmington, NC
Phone: (866) 964-6227



After signing up for Medicare, your Medicare card should arrive within 3 weeks.



Medicare A & B (Original Medicare) 2020 Premiums

PART A : For most Americans, Medicare Part A is premium free (\$0).

PART B: In 2020, the standard base rate you pay for Medicare Part B will be \$144.60/month.

Higher income earners will also pay an additional income related surcharge (called IRMAA – Income Related Monthly Adjustment Amount). See chart below for more details.

Part B IRMAA: This is the extra surcharge that is added to the Medicare Part B standard base rate (\$144.60) for higher income earners.

Part D IRMAA: This is another extra surcharge that higher income earners must also pay (gives you the right to enroll in a drug plan). The Part D IRMAA is not applicable for those only paying the standard base rate for Part B.

- *Your income level is determined by looking at your tax return from 2 years ago (Tax Year 2018).*
- *If your income has changed significantly since 2018, you can file an appeal by talking directly with your local Social Security office (may require documentation).*

Individual tax return	Joint tax return	Part B Base Rate	IRMAA Part B	IRMAA Part D	Monthly Total
\$87,000 or less	\$174,000 or less	\$144.60	n/a	n/a	\$144.60
above \$87k up to \$109k	above \$174k up to \$218k	\$144.60	\$57.80	\$12.20	\$214.60
above \$109k up to \$136k	above \$218k up to \$272k	\$144.60	\$144.60	\$31.50	\$320.70
above \$136k up to \$163k	above \$272k up to \$326k	\$144.60	\$231.40	\$50.70	\$426.70
above \$163k up to \$500k	above \$326k up to \$750k	\$144.60	\$318.10	\$70.00	\$532.70
\$500,000 or more	\$750,000 or more	\$144.60	\$347.00	\$76.40	\$568.00

How to pay Part B and IRMAA premium (if applicable)?

- Those receiving any type of Social Security benefit will have this cost automatically deducted from your check each month.
- Those not receiving Social Security will be billed directly by Medicare (typically a quarterly bill).



Medicare A & B (Original Medicare) 2020 Coverage

Part A: Coverage for a Hospital Stay

- Days 1-60 of a benefit period: You pay a \$1,408 deductible
- Days 61-90 of a benefit period: You pay \$352/day
- After 90 days: You pay \$704/day (only get 60 lifetime days)

Part A: Coverage for a Skilled Nursing Facility Stay

- Days 1-20 of a benefit period: You pay \$0
- Days 21-100 of a benefit period: You pay \$176/day

Part B: Coverage for Other Medicare Services

- You must first pay an annual deductible of \$198/year
- You then pay 20% of covered charges (no maximum limit)

MAIN CONCERNS WITH ORIGINAL MEDICARE

1. *Does not include coverage for prescription drugs*
2. *Does not have an annual out-of-pocket maximum for expenses you pay towards hospital or medical services*

Original Medicare Facts:

- Great access to medical care throughout the United States. You can see any doctor, hospital or medical supplies vendor that accepts Original Medicare. There are no provider networks (HMO or PPO) with Original Medicare as your primary coverage.
- Original Medicare covers many preventive services such as an annual “wellness exam” and flu shots.
- Original Medicare does not provide coverage for routine dental or vision services.
- Original Medicare typically provides full coverage for Hospice care.
- Original Medicare does not cover you for foreign travel.
- Original Medicare does not cover extra benefits such as transportation to health-related services, fitness memberships, over-the-counter medications, meal delivery programs, or hearing aid services.
- A minimum 3-day inpatient hospital stay is required before a stay in a skilled nursing facility (SNF). Skilled nursing facility coverage is limited to only 100 days per benefit period.
- A “benefit period” begins the day you’re admitted as an inpatient in a hospital or SNF. The benefit period ends when you haven’t received any inpatient hospital care (or skilled care in a SNF) for 60 days in a row. If you go into a hospital or a SNF after one benefit period has ended, a new benefit period begins. You must pay the inpatient hospital deductible for each benefit period. There’s no limit to the number of benefit periods you can have.

HOW DO YOU WANT TO RECEIVE YOUR Medicare Coverage?

Regardless of what option you choose, you must continue to pay your Medicare Part B premium plus any applicable IRMAA payments

Option 1

Original Medicare

Part A (Hospital) &
Part B (Doctor Visits)



PLUS

Part D (PDP Plan)

Prescription Drug Coverage



Option 2

Original Medicare

Part A (Hospital) &
Part B (Doctor Visits)



PLUS

Medicare Supplement

Medigap Insurance



PLUS

Part D (PDP Plan)

Prescription Drug Coverage



Option 3

Medicare Advantage

Part C



Combines Part A & B, with or without
Prescription Coverage (Part D)

Some Medicare Advantage Plans may also include coverage for other services, including fitness programs or hearing and vision care.



Understanding Medicare Part D

(Drug Coverage)

Initial Deductible

You pay 100% of Rx cost until you satisfy the annual Rx deductible for your plan (if applicable).

Initial Coverage

You typically pay a copay or coinsurance amount until your total drug expenses reaches \$4,020 (YTD).

Coverage Gap (Donut Hole)

You typically pay no more than 25% of brand name drugs and 25% of generic drugs until you reach \$6,350 (TROOP).

Catastrophic Coverage

For the remainder of the year you will pay the greater amount of \$3.60 or 5% (for generic drugs) and \$8.95 or 5% (for brand name drugs)

Note: On January 1 of each year, the coverage cycle starts over and the dollar limits can change. The amounts above reflect the 2020 plan year.

Medicare Part D Facts:

- During the Initial Coverage Phase, the YTD total of \$4,020 includes what you pay towards the cost of your drugs as well as what insurance pays towards the cost of your drugs.
- The TrOOP amount total of \$6,350 includes any out of pocket expenses the member has paid during the Initial Coverage Phase plus 95% of the total cost of drugs filled during the Coverage Gap Phase.
- Low income earners may qualify for reduced premiums and cost through the “Extra Help” program offered by Medicare.
- Medicare imposes a “Late Enrollment Penalty” on anyone that does not enroll in some type of creditable drug coverage once you are first eligible for Medicare.
- Within any Medicare plan offering Prescription Drug coverage, the list of covered prescription drugs is called a formulary. The formulary is usually divided into tiers or levels of coverage based on the type or usage of the medication. Each tier will have a defined out-of-pocket cost that you must pay before receiving the drug.
- You will pay different drug costs during the year. It is also important to know that under certain circumstances, your plan can change the cost of your drugs during the plan year. Your plan is required to alert you if such changes are made. Your plan cannot change your deductible or premium during the plan year.



Buying Tips & Important Things to Know



MEDIGAP (MEDICARE SUPPLEMENT COVERAGE):

- Medigap premiums can vary based on your age, gender and tobacco usage and rates usually increase as you get older. Make sure to buy from a reputable carrier that has a good renewal rate history.
- Medigap Plan G is the most popular type of Medigap plan. Plan G pays 100% of out of pocket medical expenses after you pay the Medicare Part B annual deductible of \$198.
- Medigap plans are guaranteed-issue when you first enter Medicare; however, if you later wish to change plans or buy from another insurance carrier you could be subject to medical underwriting (unless you qualify for a guaranteed-issue qualifying event).

PART D (PRESCRIPTION COVERAGE):

- Purchased as a stand-alone drug plan (Option 1&2) or included with Medicare Advantage plans (Option 3).
- Those opting not to enroll in drug coverage may be subject to a late enrollment penalty.
- Low income earners may qualify for reduced drug plan premiums and cost through the “Extra Help” program offered by Medicare. Contact your Social Security office for more details.
- What drugs are covered and how they are covered can vary between plans. Always review how your drugs are covered prior to enrolling in any plan.
- Many drug plans offer savings by utilizing “preferred pharmacies”. Preferred pharmacies can vary between plan options.
- You are allowed to change drug plans every year during the AEP.

MEDICARE ADVANTAGE PLANS

- MA Plan options vary by county throughout North Carolina.
- Make sure you understand the provider network for the plan (HMO vs. PPO).
- Make sure you understand how your drugs will be covered by the plan.
- Many plans offer extra benefits such as gym memberships, dental coverage, etc.
- Rates are not based on your age, gender or tobacco usage.
- You are allowed to change plans every year during the AEP.



Medicare Enrollment Periods

Annual Election Period (AEP): The AEP is October 15th through December 7th each year. This is the time period where you can change your Medicare Advantage plan or your Medicare Part D drug plan. Plan changes made during this period will take effect on January 1st.

Open Enrollment Period (OEP): The OEP will run January 1st through March 31st each year. This is another opportunity for Medicare Advantage plan members to make a plan change. During this time, MA-eligible beneficiaries will be able to change their MA plan or elect Original Medicare and coverage under Part D. Plan changes made during this period take effect on the first of the month following submission of the new application.

Special Enrollment Periods (SEP): These are special qualifying events that can occur throughout the year that will allow you to enroll in or change your Medicare Advantage plan or Medicare Part D drug plan. Examples are moving to a new area, losing employer group coverage or moving into a skilled nursing facility.

KEY TERMS



Premiums: This is the cost you pay for coverage. Most premiums are billed on a monthly basis with various payment options.

Copay: This is a fixed cost you pay for particular covered services. Your insurance coverage will pay any amount due over the copay amount.

Coinsurance: This is the percentage you pay for particular covered services. Your insurance coverage will pay the other portion of the amount due.

Deductible: This is the amount you must pay for health care or prescriptions before your insurance plan begins to pay.

Maximum Out-of-Pocket (MOOP): This is the most you will pay for medical services in a year. Note that the MOOP listed in Medicare Advantage plans does not include what you pay for prescription drugs.

Donut Hole: This is the nickname given to the Coverage Gap phase of Medicare drug plan coverage. It begins once you reach total drug costs of \$4,020 (year-to-date). During this phase you pay no more than 25% for brand name drugs and no more than 25% for generic drugs.

IRMAA: This stands for "Income Related Monthly Adjusted Amount." This is the surcharge that higher income earners pay for being in Medicare.

PRESCRIPTION DRUG LIST

Your Name: _____ Phone: _____

Please print the entire prescription drug name as printed on the bottle.
If the drug is generic, please print the entire generic name.

Name (as printed on bottle)		Dosage Amount and Type	Pill Amount per day	Pill Amount per month
Ex	Atorvastatin Calcium	20 Mg - Tablet	1	30
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Your Preferred Pharmacy: _____

Would you be open to changing pharmacies if it can save you money? YES NO

Would you be open to using a mail-order prescription program if it can save you money? YES NO

PHYSICIAN/HOSPITAL LIST

Your Name: _____ Phone: _____

Primary Care Physician

Primary Care Physician Name (MD or PA): _____

Office Name: _____

Specialists

Specialists Name / Office Name: _____

Type of Specialty: _____

Specialists Name / Office Name: _____

Type of Specialty: _____

Specialists Name / Office Name: _____

Type of Specialty: _____

Specialists Name / Office Name: _____

Type of Specialty: _____

Eye Doctor

Eye Doctor Name: _____

Office Name: _____

Mental Health *(if applicable)*

Mental Health Professional Name: _____

Office Name: _____



ELITE

SENIOR INSURANCE

Your Senior Insurance Experts
