What is Medicare and Who is it for?

- Medicare - federal healthcare insurance program for:
    - People who are 65 years and older
    - Younger people with disabilities
    - People with end stage kidney disease

When can I sign up for Medicare?

- You are eligible to sign up for medicare three months before you become 65 years old
- How to sign up for Medicare
    - Go to https://www.ssa.gov/benefits/medicare/
    - To enroll in Medicare, go to the website https://www.ssa.gov/benefits/medicare/ or call the number 1-800-772-1213 or visit a local Medicare office.
    - If you're eligible at age 65, your **Initial Enrollment Period (IEP) starts.**
        - Begins three months before your 65th birthday. This includes the month you turn age 65, and ends three months after that birthday.
    - **Open Enrollment Period**: From October 15 – December 7 each year, you can join, switch, or drop a plan
    - **Medicare Advantage Open Enrollment Period.** From January 1 – March 31 each year
        - If you're enrolled in a Medicare Advantage Plan, you can switch to a different Medicare Advantage Plan or switch to Original Medicare.
    - You can switch from traditional Medicare from your Medicare Advantage plan during the Medicare Open Enrollment period. Coverage under Traditional Medicare will begin January 1 of the following year.
    - If you are still working when you turn 65
        - You can wait until you (or your spouse) stop working (or lose your health insurance, if that happens first) to sign up for Part B (Medical Insurance), and you won't pay a late enrollment penalty
    - Medicare applications take between 30-60 days for approval
    - You can add on Medicare Part A later on if you have Part B. It is advised to get part A, but you can get part B first.
    - Everyone is signed up individually for Medicare

What are the different parts of Medicare, and what are my coverage options?

- There are three parts to Medicare
    - Part A (Hospital insurance)
        - Part A covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care.
    - Part B (Medical Insurance)
        - Doctor service, outpatient care, medical supplies, and preventive service
    - Part D (prescription drug coverage)
        - Helps cover the cost of prescription drugs, vaccines, and recommended shots.
- Part A and Part B premiums for Medicare
    - Part A

- Do not pay a monthly premium if you or your spouse paid medicare taxes when working for a certain period of time (usually ten years)
- IF you do not qualify
  - 274 - 499 a month depending on how long you or your spouse worked and paid medicare taxes
- Part A can be purchased if you are signed up for Part B

Part A costs:	What you pay in 2022:
Premium	**$0 for most people** (because they or a spouse paid Medicare taxes long enough while working - generally at least 10 years). If you get Medicare earlier than age 65, you won't pay a Part A premium. This is sometimes called "premium-free Part A." Do I qualify for premium-free Part A? **If you don't qualify for premium-free Part A:** You might be able to buy it. You'll pay either $274 or $499 each month for Part A ($278 or $506 in 2023), depending on how long you or your spouse worked and paid Medicare taxes. Remember: • You also have to sign up for Part B to buy Part A. Learn more about how Medicare works. • If you don't buy Part A when you're first eligible for Medicare (usually when you turn 65), you might pay a penalty. Find out more about how to avoid the Part A penalty.
Deductible	**$1,556** ($1,600 in 2023) for each inpatient hospital benefit period, before Original Medicare starts to pay. There's no limit to the number of benefit periods you can have in a year. This means you may pay the deductible more than once in a year. How do benefit periods work?
Inpatient stay	• Days 1-60: $0 after you pay your Part A deductible. • Days 61-90: $389 copayment each day ($400 in 2023). • Days 91-150: $778 copayment each day while using your 60 lifetime reserve days ($800 in 2023). • After day 150: You pay all costs. What's not covered? What will I pay if I get mental health services as an inpatient?
Skilled nursing facility stay	• Days 1-20: $0 copayment. • Days 21-100: $194.50 copayment each day ($200 in 2023). • Days 101 and beyond: You pay all costs.
Home health care	$0 for covered home health care services. 20% of the Medicare-approved amount for durable medical equipment (like wheelchairs, walkers, hospital beds, and other equipment)

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Hospice care	$0 for covered hospice care services. You may also pay: • A copayment of up to $5 for each prescription drug and other similar products for pain relief and symptom control while you're at home. What if my hospice care doesn't pay for my drug? • 5% of the Medicare-approved amount for inpatient respite care. What's not covered?

- Part B
  - Everyone pays a monthly premium for Part B
    - $170.10 ($164.90 in 2023).
    - If your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount - you'll pay the standard premium amount and an Income Related Monthly Adjustment Amount

Part B costs:	What you pay in 2022:
Premium	**$170.10 each month** ($164.90 in 2023) (or higher depending on your income). The amount can change each year. You'll pay the premium each month, even if you don't get any Part B-covered services. Who pays a higher Part B premium because of income? You might pay a monthly penalty if you don't sign up for Part B when you're first eligible for Medicare (usually when you turn 65). You'll pay the penalty for as long as you have Part B. The penalty goes up the longer you wait to sign up. Find out how the Part B penalty works and how to avoid it.
Deductible	**$233 ($226 in 2023), before Original Medicare starts to pay.** You pay this deductible once each year.
General costs for services (coinsurance)	Usually 20% of the cost for each Medicare-covered service or item after you've paid your deductible (and as long as your doctor or health care provider accepts the Medicare-approved amount as full payment – called "accepting assignment"). Find out how assignment affects what you pay.
Clinical laboratory services	$0 for covered clinical laboratory services.
Home health care	• $0 for covered home health care services. • 20% of the Medicare-approved amount for durable medical equipment (like wheelchairs, walkers, hospital beds, and other equipment).
Inpatient hospital care	20% of the Medicare-approved amount for most doctor services while you're a hospital inpatient.
Outpatient mental health care	• $0 for your yearly depression screening. • 20% of the Medicare-approved amount for visits to your doctor or other health care provider to diagnose or treat your condition. • If you get your services in a hospital outpatient clinic or hospital outpatient department, you may have to pay an additional amount to the hospital.
Partial hospitalization mental health care	After you meet the Part B deductible: • 20% of the Medicare-approved amount for each service you get from a doctor or certain other qualified mental health professional • Coinsurance for each day of partial hospitalization services you get in a hospital outpatient setting or community mental health center
Outpatient hospital care	• Usually 20% of the Medicare-approved amount for doctor and other health care providers' services. • You'll also pay a copayment to the hospital for each service you get in a hospital outpatient setting (except for certain preventive services). In most cases, your copayment won't be more than the Part A hospital stay deductible amount. > This additional hospital copayment means you may pay more for an outpatient service you get in a hospital than you'd pay if you got the same service in a doctor's office. Compare outpatient procedure costs under Original Medicare.

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Coverage Options for Medicare

- Original Medicare - Part A & Part B
    - Pay for services as you get them
    - Deductible is paid at the start of the year
    - You usually pay 20% of the cost of the Medicare-approved service, called coinsurance.
    - Drug plan is separate, you need to add on.
    - Original Medicare pays for much, but not all, of the cost for covered health care services and supplies.
    - You can combine Original Medicare with a Medicare Supplement Insurance (Medigap) policy that covers services Original Medicare doesn't
        - Sold by private companies but standardized policy by federal and state laws
            - Chart comparing the 10 Medigap Plans (A, B, C, D, F, G, K, L, M, N - https://www.medicare.gov/supplements-other-insurance/how-to-compare-medigap-policies
            - C, F, E, H, I, and J are no longer available for new Medicare enrollees
        - For Medigap you must have Medicare Part A and Medicare Part B - is a SUPPLEMENT you pay additional premiums
            - Covers things like Part A/B coinsurance and deductibles, foreign travel
            - Doesn't generally cover long-term care, vision/dental, hearing aids, eyeglasses, private-duty nursing, prescriptions anymore (if an older policy was sold with drug coverage you can keep it)
- Medicare Advantage (AKA Medicare Part C)

    - Medicare-approved plan from a private company that offers an alternative to Original Medicare for your health and drug coverage.
    - Usually Includes all Parts - A, B, D (D is covered by most plans)
    - Different out of pocket costs
    - More benefits than original medicare
        - Ex. vision, hearing, dental, and prescription (part D)
    - Can be HMO, PPO, PFFS (private fee-for-service), special needs plans (SNPS) or less common = HMO point of service, Medicare Medical Savings Account
- Medicare Part D (Prescription Drugs) (Individual)
    - Medicare drug coverage helps pay for prescription drugs you need.
    - It is optional but it is offered to everyone that has Medicare.
    - Coverage for a variety of prescription drugs, and most medicare drug plans contain a list of what prescription drugs are covered.
    - This list is called a formulary
        - The formulary contains at least 2 drugs in the most commonly prescribed categories and classes
    - All Medicare drug plans generally must cover at least 2 drugs per drug category, but plans can choose which drugs covered by Part D they will offer.
    - Medicare drug coverage typically places drugs into different levels, called “tiers,” on their formularies.
        - Example of tiers (it varies per Medicare Drug Plan)
            - Tier 1—lowest copayment: most generic prescription drugs
            - Tier 2—medium copayment: preferred, brand-name prescription drugs
            - Tier 3 —higher copayment: non-preferred, brand-name prescription drugs
            - Specialty tier—highest copayment: very high cost prescription drugs
    - If your doctor thinks you need a drug which is in a higher tier level, you can ask your plan for an exception, or a lower coinsurance or copayment for the drug in the higher tier.
- For Part D, You Need to Pay:
    - Premium
    - Yearly deductible (some drug plans do not have this)
    - Copayments
    - Costs in coverage gap
    - Costs if you get Extra Help
    - Costs if you pay a late enrollment penalty
- Overall, your drug coverage costs depends on if you
    - Your prescriptions and whether they’re on your plan’s list of covered drugs (formulary).
    - What “tier” the drug is in. (See example tier list above)
    - Which drug benefit phase you’re in
    - If you have met your deductible
    - Which pharmacy you use - Your out-of-pocket drug costs may be less at a preferred pharmacy because it has agreed with your plan to charge less.

Identification for Original Medicare/Medicare Advantage

- Original Medicare holders have a red, white, and blue Medicare card
    - Medicare Advantage holders have the Original Medicare Card + a Medical Advantage card
    - Separate Part D card and Medigap card

What are the Pros and Cons of Original Medicare vs Medicare Advantage

- Original Medicare PROS
    - You don't need a referral to see specialists.
    - You can choose any specialist in the U.S. who accepts Medicare.
    - You can get routine tests and treatments without prior authorization.
    - (For Pain)
        - You can see any specialist who accepts Medicare.
        - Covers 80 percent of medically necessary physical and occupational therapy. Supplemental insurance may cover remaining costs.
        - Covers up to 20 acupuncture sessions for low-back pain and chiropractic spine manipulation with 20 percent coinsurance.
    - Original Medicare covers most medically necessary services and supplies in hospitals, doctors' offices, and other health care facilities
- Original Medicare (CONS)
    - Original Medicare doesn't cover some benefits like eye exams, most dental care, and routine exams.
    - Original Medicare generally **doesn't cover medical care outside the U.S.**
    - Doesn't cover massage therapy or over-the-counter (OTC) pain remedies.
    - Unless you have supplemental insurance, you'll pay a share of the ER visit and each medical service you receive, plus a 20 percent coinsurance for emergency room doctor fees.
- Medicare Advantage (PROS)
    - Some benefits, like eye exams, most dental care, and routine exams are covered
    - Some plans can offer a supplemental benefit that covers emergency and urgently needed services when traveling outside the U.S.
    - Medicare advantage provides low copayments for in-network procedures, visits to doctors offices, and Emergency Room visits.
    - Drug coverage is included in most plans
- Medicare Advantage (Cons)
    - To receive effective coverage, you usually have to visit in-network physicians and specialists.
    - If you are at an out-of-network hospital, fees may not be covered by Medicare Advantage, resulting in higher costs.
    - If you are at an out of network hospital, and your doctor determines that you need a procedure which is not considered "urgent," you may face high bills unless you switch to a hospital in the network.
    - SIn most cases, you need services and supplies approved ahead of time to be covered by the policy

    - When traveling outside, plans GENERALLY do not cover medical care outside of the United States

What are the Pros and Cons of Electing Medicare?

- Electing Medicare (Pros)
    - Medicare can be combined with employer based coverage
    - Medicare has the ability to cover basic coverage costs, and is relatively cheaper in comparison to private health insurance options
    - Medicare can be combined with employer based health insurance, if you are working past the age of 65.
        - Depending on the size of your workplace, Medicare will cover costs of hospital insurance alongside employer based insurance
            - If you work for a company that employs 20 employees or more, your employer coverage usually pays first. You may have to pay a deductible and/or copayment or coinsurance amount.
            - If you work for a small company of fewer than 20 employees, Medicare usually pays first and your employer coverage is the secondary payer.
- Electing Medicare (Cons)
    - Limitations in amount of coverage received (original medicare)
    - Tests and treatments often require pre-authorization
    - Most plans require in network providers to be used
    - Lack of coverage when traveling outside

Sources

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