

Turning 65: Introduction to Medicare



Dan Calabrese, Insurance Consultant

Turning 65: Introduction to Medicare

Workshop Agenda:

- ❖ Medicare Coverage & Costs
- ❖ How & When to enroll
- ❖ What are the “holes” in Medicare coverage & how to fill them
- ❖ How a Medicare supplement works
- ❖ How a Medicare Advantage Plan works
- ❖ Differences between Supplements & Advantage plans
- ❖ How Medicare drug plans work & why you must choose to enroll

....and much more!

Thanks for coming!

Daniel Calabrese



Trusted New York Senior Solutions Specialist

Dan Calabrese is an independent insurance professional dedicated to providing clients with the best insurance protection and service possible.

Benefits of Working with an independent insurance professional:

- ✓ ***I offer unbiased advice:*** I represent a number of carriers and products, so I will look at your unique individual situation and determine the best plan based on your needs. There is no “one size fits all” solution.
- ✓ ***I am your advisor:*** I can help answer questions or handle any problems you have about using your coverage. No need to call an 800 number and talk to a stranger, or be placed on hold for several minutes.
- ✓ ***I'll review your coverage every year:*** Medicare Prescription Drug Plans and Medicare Advantage Plans can change every year. I'll make sure we review your coverage and determine if any changes are needed, or if a better plan is available.
- ✓ ***My services are complimentary!*** I am paid by the insurance company that offers the plan you choose. Your premium will be the same regardless of whether you call the carrier directly, or if you work with me!

Medicare Coverage Choices

**STEP
1**

Enroll in Original Medicare.

**STEP
2**

**Decide if you need additional coverage.
There are two ways to get it.**

OPTION 1

OR

OPTION 2

Original Medicare

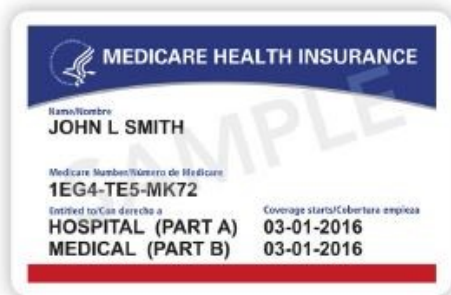
Provided by the federal government



Helps pay for hospital stays and inpatient care



Helps pay for doctor visits and inpatient care



Medicare Supplement Insurance Plan

Offered by Private Companies



Helps pay some of the out-of-pocket costs that come with Original Medicare

Medicare Part D Plan

Offered by Private Companies



Helps pay for prescription drugs

**Choose a
Medicare Advantage Plan**

Medicare Advantage Plan

Offered by Private Companies



Combines Part A (hospital insurance) and Part B (medical insurance) in one plan



Usually includes prescription drug coverage



May offer additional benefits not provided by Original Medicare

2020 MEDICARE PART A

Part A is Hospital Insurance for confinement in a hospital or skilled nursing facility per benefit period.

*A benefit period begins on the first day you receive service as an inpatient and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

WHEN YOU ARE HOSPITALIZED* FOR:	MEDICARE COVERS	YOU PAY
1-60 DAYS	Most confinement costs <u>after</u> the required Medicare deductible	\$1,408 DEDUCTIBLE
61-90 DAYS	All eligible expenses <u>after</u> patient pays a per-day copayment	\$352 A DAY COPAYMENT as much as: \$10,560
91-150 DAYS	All eligible expenses <u>after</u> patient pays a per-day copayment (These are Lifetime Reserve Days that may never be used again)	\$704 A DAY COPAYMENT as much as: \$42,240
151 DAYS OR MORE	NOTHING	YOU PAY ALL COSTS
*SKILLED NURSING CONFINEMENT: Following an inpatient hospital stay of at least 3 days and enter a Medicare-approved skilled nursing facility within 30 days after hospital discharge and receive skilled nursing care	All eligible expenses for the first 20 days; then all eligible expenses for days 21-100 <u>after</u> patient pays a per-day copayment	After 20 days \$176 A DAY COPAYMENT as much as: \$14,080
HOSPICE CARE: Must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited copayment/coinsurance for outpatient drugs and inpatient respite care	Medicare CO-PAYMENT/COINSURANCE
BLOOD	100% of approved amount <u>after</u> first 3 pints of blood.	First 3 pints

2020 MEDICARE PART B

Part B is Medical Insurance and covers physician services, outpatient care, tests, and supplies - per calendar year.

ON EXPENSES INCURRED FOR:	MEDICARE COVERS	YOU PAY
ANNUAL DEDUCTIBLE	Incurred Expenses after the required Medicare deductible	\$198 ANNUAL DEDUCTIBLE
MEDICAL EXPENSES Physicians' services for inpatient and outpatient medical/surgical services; physical/speech therapy; and diagnostic tests	80% of approved amount	20% of approved amount*
EXCESS DOCTOR CHARGES** <i>(Above Medicare Approved Amounts)</i>	0% above approved amount	ALL COSTS
CLINICAL LABORATORY SERVICES	Generally 100% of approved amount	Nothing for services
HOME HEALTHCARE	100% of approved amount; 80% of approved amount for durable medical equipment	Nothing for services; 20% of approved amount* for durable medical equipment
OUTPATIENT HOSPITAL TREATMENT	Medicare payment to hospital, based on outpatient procedure payment rates	Coinsurance based on outpatient payment rates
BLOOD	80% of approved amount <u>after</u> first 3 pints of blood.	First 3 pints plus 20% of approved amount for additional pints

*On all Medicare-covered expenses, a doctor or other healthcare provider may agree to accept Medicare assignment. This means the patient will not be required to pay any expense in excess of Medicare's approved charge. The patient pays only 20% of the approved charge not paid by Medicare.

**Physicians who do not accept assignment of a Medicare claim are limited as to the amount they can charge for a covered service. In 2020, the most a physician can charge for a service covered by Medicare is 115% of the approved amount for nonparticipating physicians (may vary by state). *Note: In New York, the most a physician can charge for services covered by Medicare is 105% of the approved amount for nonparticipating physicians. For routine office visits covered by Medicare, a nonparticipating physician can charge up to 115% of the fee schedule amount.*

Outline of Coverage

Overview of Available Plans

Medicare Supplement Plans A, B, C, F, G, K, L and N

Benefit Chart of Medicare Supplement Plans Sold on or after June 1, 2010 Including Revisions Effective January 1, 2020

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make available Plans "A" & "B" and either "D" or "G". Only applicants' **first** eligible for Medicare before January 1, 2020 may purchase Plans C, F, and high deductible F+. Some plans may not be available in your state.

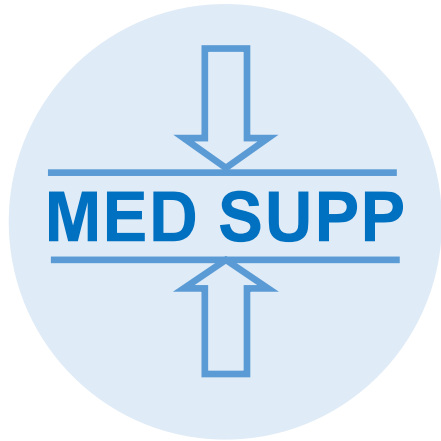
Note: A ✓ means 100% of this benefit is paid.

Benefits	Plans Available to All Applicants								Medicare first eligible before 2020 only	
	A	B	D	G ¹	K	L	M	N	C	F ¹
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B coinsurance or 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)			✓	✓			✓	✓	✓	✓
Out-of-pocket limit in 2020 ²					\$5880 ²	\$2940 ²				

¹Plans F and G also have a high deductible option which require first paying a plan deductible of \$2340 before the plan begins to pay. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High deductible plan G is only available on or after January 1, 2020, and does not cover the Medicare Part B deductible. However, high deductible plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.

²Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit.

³Plan N pays 100% of the Part B coinsurance, except for a co-payment of up to \$20 for some office visits and up to a \$50 co-payment for emergency room visits that do not result in an inpatient admission.



Medicare Supplement Insurance: Medigap

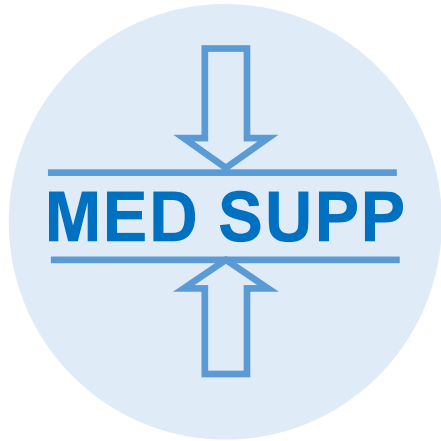
Plans may help pay:

- Part A and Part B deductibles
- Copays, coinsurance and provider excess charges
- Cost for extra 365 days of hospital care after lifetime reserve days used
- Cost of blood transfusions, first 3 pints
- Cost of foreign travel emergency, up to plan limit

Plans do not help with:

- Prescription drugs
- Routine dental, vision or hearing care*
- Eyeglasses, contacts or hearing aids*
- Extra days in a skilled nursing facility after Part A benefit
- Custodial care (help bathing, eating, dressing)
- Long-term care

*Some plans may offer special programs to members to help with some of these costs.



Medicare Supplement Insurance: Medigap

Helps pay some costs not paid by Medicare

- Supplements Original Medicare (Part A and Part B)
- Can't be used with Medicare Advantage
- 10 plans with benefits standardized by the federal government
- MA, MN and WI plans are different from standardized plans in other states
- Plans offered by private insurance companies in your state

Medicare Supplement or Medicare Advantage?

CONSIDERATIONS	MEDICARE SUPPLEMENT	MEDICARE ADVANTAGE
Coverage	<ul style="list-style-type: none"> • Pays some costs not paid by Original Medicare • Does not help with drug costs • Nationwide coverage 	<ul style="list-style-type: none"> • Provides benefits of Original Medicare and beyond • Often includes drug coverage • May have provider network
Cost	<ul style="list-style-type: none"> • Monthly plan premium • Drug plan premium and other costs if coverage added • Out-of-pocket costs depend on plan chosen 	<ul style="list-style-type: none"> • May charge plan premium • Often no additional premium for drug coverage • Copays or coinsurance for most covered services • Annual out-of-pocket maximum
Convenience	<ul style="list-style-type: none"> • Multiple plans (when added to Original Medicare along with a Part D plan) 	<ul style="list-style-type: none"> • All-in-one plan



Formulary: List of Covered Drugs

Tiered formulary

- Drugs are grouped into tiers based on cost
- In general, the lower the tier, the lower the cost
- Deductibles may be charged by tier

Formulary Tiers
Tier 1 \$
Tier 2 \$\$
Tier 3 \$\$\$
Tier 4 \$\$\$\$\$
Tier 5 \$\$\$\$\$\$



Medicare Prescription Drug Coverage

Medicare Part D plans cover:

Types of drugs most commonly prescribed for Medicare beneficiaries as determined by federal standards

Specific brand name drugs and generic drugs included in the plan's formulary, or list of drugs

Commercially available vaccines not covered by Part B



Medicare Prescription Drug Coverage

- All prescription drug plans have a monthly premium and most have an annual **deductible** up to \$415
- Prescription drug benefits work off a calendar year: January 1st-December 31st
- Plans use a **Formulary** that lists the individual drugs covered by the plan
- **Tiers** – Most plans place drugs into tiers or levels, with each tier having a different cost share
- **Prior Authorization:** Some drugs require that your prescriber contact the drug plan before you can fill certain prescriptions. Your prescriber may need to show that the drug is medically necessary for the plan to cover it.



Medicare Prescription Drug Coverage

- **Quantity Limits:** Limit how much of a medication you can get at a time
- **Step Therapy:** Requires you try one or more similar, lower cost drugs before the plan will cover the prescribed drug

Understanding the Medicare Donut Hole.





Medicare Prescription Drug Coverage: Closing the Donut Hole by 2019

Under the **Affordable Care Act** (also referred to as the ACA or Obamacare), Medicare Part D's coverage gap was expected to close by the year 2020. But a bill signed early in 2018 moved this initiative to 2019.

The reform has phased out the donut hole by decreasing the beneficiary's share of drug costs during the donut hole until it reached 25 percent in 2019 for both brand-name and generic drugs. However, the phase-out works differently for brand-name and generic drugs.

The chart below helps illustrate how the plan reduced the donut hole cost for prescription drugs:

Year	Percent You Pay for Brand-Name Drugs	Percent You Pay for Generic Drugs
2016	45%	58%
2017	40%	51%
2018	35%	44%
2019	25%	25%
2020	25%	25%



- *Medicare Supplements*
- *Life*
- *Long-Term Care*
- *Business Services*

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*Please contact me for in-person, virtual, or phone appointments
to discuss your Medicare Plan Options.*