

2019 Education Series

Medicare 2020

Presenter

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Sylvia Group Account Executive

Julia Jennings is an Account Executive with the Sylvia Group, specializing in Medicare and retiree-based insurance. She is semi-retired herself, after a 32 year career with the Sylvia Group as Vice President of Employee Benefits. She is Executive Director of the Massachusetts Association of Health Underwriters (MassAHU) and has served on the NAHU board on a state, regional and national level. She lives in Rochester, MA, with her husband, Dave, and their Airedale puppy, Charlotte.

Professional Accreditations

- Licensed Insurance Advisor (LIA)
- Certified in Long-Term Care (CLTC)
- Certified to Sell Medicare Advantage and Medicare PDP 2019 & 2020
- Licensed MA Insurance Broker - Life, Accident, Health, Property & Casualty



October 15, 2019

- Medicare Basics
- Original Medicare (Part A/B)
- Medicare Supplements (*aka* Medigap Plans)
- Medicare Part D (Prescription Drug Plans)
- Medicare Advantage Plans
- How and When to Enroll in Medicare
- Annual Enrollment and Special Enrollment Periods
- Additional Information

- Medicare is Health Insurance for US citizens and legal residents of the US (5+ consecutive years), who are:
 - 65 and older
 - Under 65 with certain disabilities
 - Receiving Social Security Disability Income (SSDI) benefits for a period of 24 months, or
 - Immediately upon diagnosis of ALS (Lou Gehrig's disease)
 - At any age for End Stage Renal Disease (ESRD) – permanent kidney failure on dialysis or requiring kidney transplant

Who Administers Medicare?

**SSA & RRB Handle
Enrollments, Premiums,
and ID Cards**



**Social Security
Administration (SSA)**
enrolls most people in
Medicare



**Railroad Retirement
Board (RRB)** enrolls
railroad retirees in
Medicare

CMS Handles the Rest



**Centers for Medicare & Medicaid
Services (CMS)** administers the
Medicare Program

Original Medicare



Part A
Hospital Insurance



Part B
Medical Insurance

Medicare Advantage Part C



Part A



Part B



Part D
(Usually)

Medicare Prescription Drug Coverage



Part D
Medicare
prescription drug
coverage



Part A
Hospital Insurance

Part A – Hospital Insurance helps cover medically necessary:

- ✓ Inpatient hospital care, including skilled rehabilitation and psychiatric facilities
- ✓ Inpatient skilled nursing facility (SNF) care, following 3-day inpatient hospitalization for related treatment
- ✓ Blood (inpatient)
- ✓ Home health care
- ✓ Hospice care

☒ What's not covered?

- Private-duty nursing
- Private room (unless medically necessary)
- Television, phone, or personal care items, like razors or slipper socks



Part A
Hospital Insurance

- **Premium** — No premium for most people
- **Deductible** — \$1,420* for inpatient hospital stays (days 1-60)
 - For inpatient hospital stays longer than 60 days
 - \$355* per day for days 61-90
 - \$710* per each day beyond 90 (up to 60 lifetime reserve days)
 - All costs after 150 days
- **Out-of-pocket maximum** — None in Original Medicare

** These are estimates for 2020 pending final notice from CMS.*



Part B
Medical Insurance

Part B—Medical Insurance helps cover medically necessary:

- ✓ Doctors' services (in or out of hospital)
- ✓ Outpatient medical and surgical services and supplies
- ✓ Clinical lab tests
- ✓ Durable medical equipment
- ✓ Diabetic testing supplies
- ✓ Preventive services (like flu shots and a yearly wellness visit)
***Does NOT cover routine physicals or routine eye exams*
- ✓ Home health care when not preceded by a covered hospitalization, or when visits under Part A are exhausted.



Part B
Medical Insurance

- The 2020 monthly premium is \$144.30* for those who are new to Medicare or who are not yet receiving SS payments.
- Medicare Part B premiums represent about 25% of the total cost of Part B insurance, with the federal government contributing 75% of the cost.
- Those earning higher incomes pay an additional income-based premium for Part B (IRMAA).
- Some Social Security beneficiaries pay less than the standard premium because they are protected from increases that result in a decrease in their monthly benefits.

** Estimate pending final announcement from CMS*

Income-Related Monthly Adjustment Amount

Single Filing Individual Tax Return	Married Filing Joint Tax Return	2019 Income Adjusted Premiums	In 2020 You'll Pay
\$87,000 or Less	\$174,000 or less	\$135.50	<i>\$ 144.30</i>
\$87,001 to \$109,000	\$174,001 to \$218,000	\$189.60	<i>\$202.10</i>
\$109,001 to \$136,000	\$218,001 to \$272,000	\$270.90	<i>\$288.60</i>
\$136,001 to \$163,000	\$272,000 to \$326,000	\$352.20	<i>\$375.20</i>
\$163,001 to \$250,000	\$326,000 to \$500,000	\$433.40	<i>\$461.80</i>
Over \$250,000	Over \$500,000	\$460.50	<i>\$490.70</i>

*Income brackets will be adjusted for COLA starting in 2020. These are estimates pending CMS final release.



Part B
Medical
Insurance

- Premiums can change every year.
- You may have to pay late enrollment penalty if you delay enrollment:
 - 10% for each full 12-month period that you could have had Part B, but didn't sign up for it
 - Penalty applies for as long as you have Part B
- If you have limited income and resources, your state may be able to help.

Medicare Supplement Insurance (Medigap)



Part A

Hospital Insurance



Part B

Medical Insurance

You can add:



Part D

Medicare prescription drug coverage

You can also add:



Medigap

Medicare Supplement Insurance

- Medigap is private health insurance that supplements Original Medicare.
 - You must have both Part A and Part B Medicare.
 - You must pay a monthly premium for the Medigap policy.
 - Medigap plans help pay health care costs (including deductibles and copayments) that Original Medicare doesn't cover.
 - You can see any provider who is contracted and accepts Medicare payments. Medicare will pay its share of the Medicare-approved amounts for covered health care costs before the Medigap plan pays.
 - The plan is portable, so you can keep your plan even if you move to another state.

Medicare Supplement Insurance (Medigap)



Part A

Hospital Insurance



Part B

Medical Insurance

You can add:



Part D

Medicare prescription drug coverage

You can also add:



Medigap

Medicare Supplement Insurance

- In Massachusetts, there are only two Medicare Supplement plans offered
 - The **Core Supplement** pays many of Original Medicare's deductibles, copayments and coinsurance. It does not pay the Part A Deductible, Skilled Nursing Facility Daily Copayments, or Part B Deductible.
 - **Supplement 1** pays all of Original Medicare's deductibles, copayments and coinsurance. However, starting in 2020, Medicare Supplement plans will not be able to cover the Part B deductible. (Members who were eligible for Part B Medicare prior to 1/1/20 [born before 1/1/55] will be able to select or keep their Supplement 1 plan.)
 - These two plans are the same, regardless of what carrier writes the plan or what name they use for it.



Part A

Hospital Insurance



Part B

Medical Insurance

You can add:



Part D

Medicare prescription drug coverage

You can also add:



Medigap

Medicare Supplement Insurance

- Available for all people enrolled in Medicare Part A
- Part D plans are private prescription plans that contract with Medicare.
- Part D plans can be purchased:
 - As a standalone Medicare Prescription Drug Plans (PDPs) if you have Original Medicare;
 - As part of a Medicare Advantage plan (MA-PDs).



Part D
Medicare
prescription drug
coverage

- A **Calendar Year Deductible** may apply to your plan, not to exceed **\$435** for 2020.
- **In the Initial Coverage Level, copayments or coinsurance** may vary based on the tier or classification, which pharmacy you purchase at, if you use mail order, etc.
- Once the total cost of drugs reaches \$4,020 you are in the disappearing 'donut hole' or **Coverage Gap**.
 - In 2019, members pay 35% for brand name drugs and 41% for generics.
 - In 2020, members pay 25% for both brand and generic drugs.
- Once **YOUR costs** reach \$6,350 (referred to as TROOP), you will then be in the Catastrophic Level and only pay a small copayment for the rest of the year.



Part D
Medicare
prescription
drug coverage

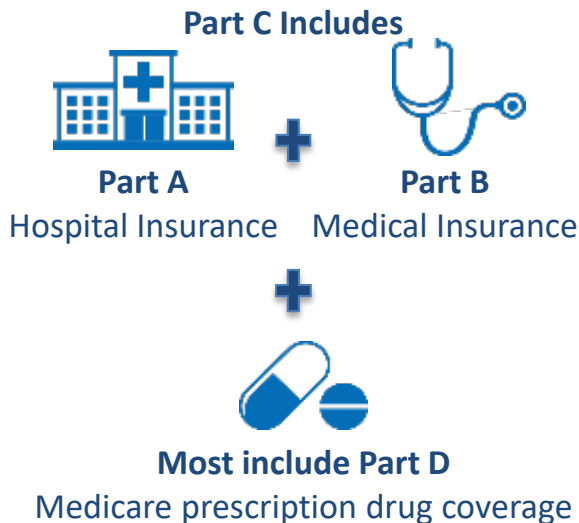
- Plans have formularies (lists of covered drugs).
 - Must include range of drugs in each category
 - Must Include generic and brand name drugs
- You can choose a plan and review/change your plan at annual open enrollment.
- You may pay a lifetime penalty if you do not join a Part D plan when you no longer have creditable coverage.
- Each plan has its own formulary, benefits and premiums, which can change from year to year.
- There's Extra Help to pay Part D costs if you have limited income and resources.
- Higher income individuals are subject to IRMAA for Part D – amounts to be announced by CMS this fall.



Part D
Medicare
prescription
drug coverage

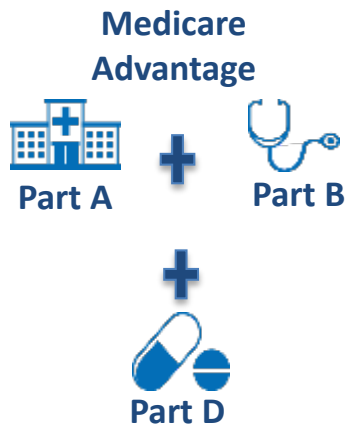
- Higher premium if you wait to enroll
 - Exceptions if you have
 - Creditable coverage (no 63-day gap or longer)
 - Extra Help
- Pay penalty for as long as you have coverage
 - 1% of base beneficiary premium
 - For each full month eligible and not enrolled
 - Penalty is calculated by CMS based on the average Part D premium for the year

What is Medicare Advantage?



- Medicare Advantage is sometimes called Part C — includes Part A, Part B and usually Part D.
- Private insurance companies approved by Medicare provide your Medicare coverage.
- In most MA plans, you need to use the plan's network of doctors, hospitals and other providers.
- In HMO-type plans, you must obtain referrals and stay within the network.
- In PPO-type plans, you may receive treatment out of network but may have to pay more out-of-pocket costs for such care.

- If you join an MA Plan you:
 - Are still in Medicare with all rights and protections
 - Still get those services covered by Part A and Part B, but the MA plan covers those services instead
 - Can't be charged more for certain services than Original Medicare
 - Have a yearly limit on your out-of-pocket costs for medical services
 - May choose a plan that includes extra benefits, including vision, dental, and other services that are not covered by Medicare
 - Can't use a Medigap policy to supplement your coverage
 - Still need to pay your Part B premiums – even if you enroll in a “Zero Premium” Medicare Advantage Plan



Medicare enrollment rules and decisions vary depending on ...



Whether you get:

- Social Security Disability Insurance (SSDI)
- Social Security or Railroad Retirement benefits

65
↓

Your age



Your other coverage,
like from an employer



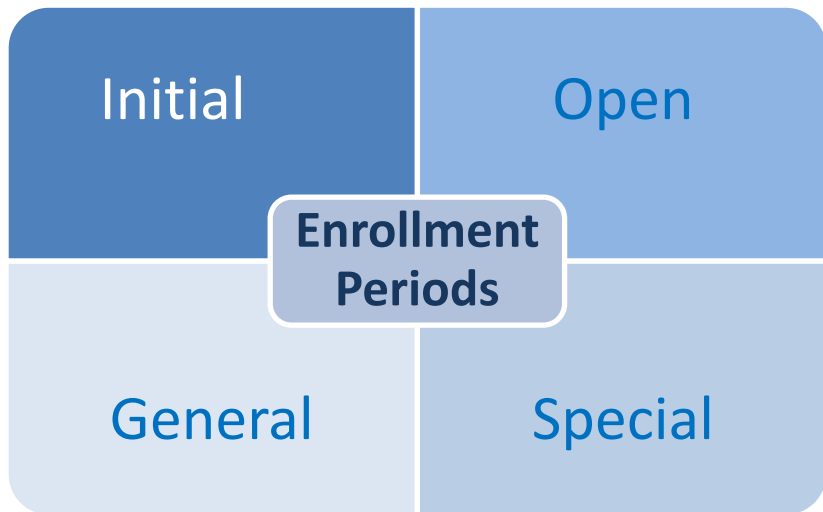
Whether you have End-Stage
Renal Disease

- Automatic enrollment for those receiving:
 - Social Security benefits
 - Railroad Retirement Board benefits
- Initial Enrollment Period Package
 - Mailed 3 months before you turn 65, or after 24 months of receiving SS disability benefits
 - Includes your Medicare card
 - If you don't want Part B, complete the back of the card and mail it back.

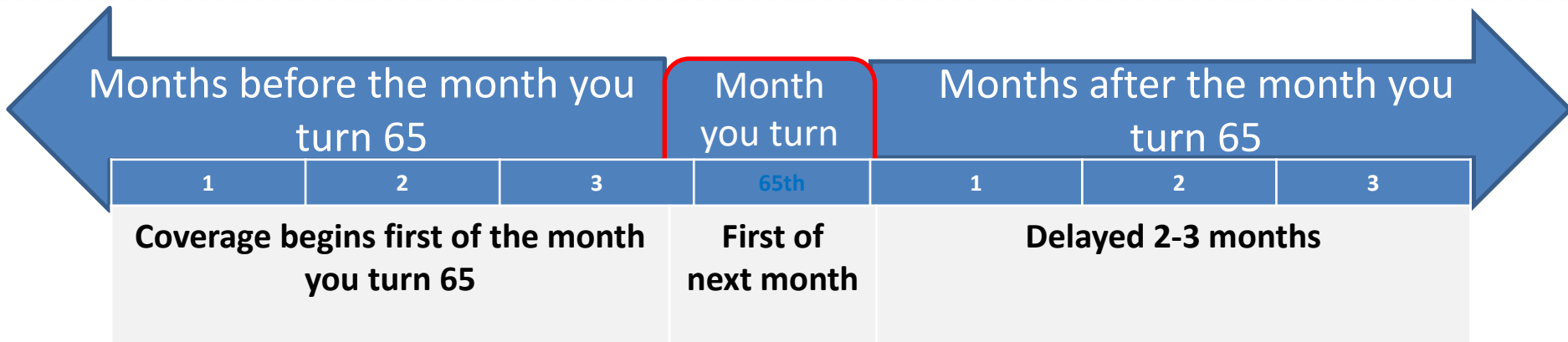


- If you're not signing up for Social Security or Railroad Retirement benefits, you are *not* automatically enrolled in Part A and Part B.
- You can enroll in Medicare in these ways:
 - Visit www.ssa.gov
 - Call 1-800-772-1213 (TTY: 1-800-325-0778)
 - If you need to go to SS office you may have to first schedule a phone appointment with SSA!
- If retiring from Railroad, enroll with the RRB.
 - Call your local RRB office at 1-877-772-5772.

When you can enroll in Medicare or change how you get your coverage:



Medicare Initial Enrollment Period (IEP)



- Your Medicare Initial Enrollment Period (IEP) is the 7-month period in which you can enroll in Medicare without incurring any late enrollment penalties.
- The IEP starts 3 months prior to the month you turn 65 and ends 3 months after the month you turn 65.

Medicare Special Enrollment Period (SEP)

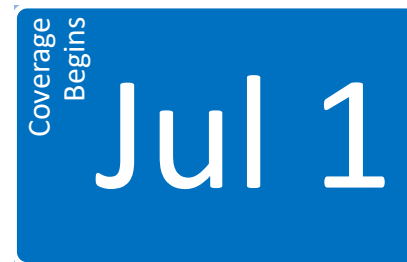


- The Special Enrollment Period (SEP) is the 8-Month period when you can enroll in Part A/Part B after your employer group health coverage *based on active current employment* terminates.
- If you enroll during SEP you can also enroll in Part C/Part D. You have 6 months from Part B effective date to buy a Medigap policy.

Usually no
late
enrollment
penalties

*Note that COBRA, retiree coverage, workers' compensation or VA coverage is **not** considered active current employment and therefore does not entitle you to a Medicare SEP.*

Medicare General Enrollment Period (GEP)



If you did not sign up for Part A (premium payment Part A) or Part B during your Initial Enrollment Period, you can enroll during a General Enrollment Period. This is a 3-month period each year in which you can enroll in:

- ✓ Part A
- ✓ Part B
- ✓ Part C (if you have Part A and Part B)
- ✓ Part D (if you have Part A and/or Part B)

Note: You may have late enrollment penalties!

- New Search Tool on Medicare website this fall – while this is good news, it may take some time to get used to. (Training sessions going on now)
- Personalize your search to find plans that meet your needs.
- Compare plans based on star ratings, benefits, costs and more.
- Visit www.Medicare.gov to search for plans in your area.

- Licensed and certified insurance professionals
- We can help you compare plans based on your health care needs, where you live (and where you hibernate!), star ratings of each plan, premium costs, etc.
- Transitioning from full-time employment to part-time or full-time retirement? We will help you make a plan to have a seamless transition and avoid any late enrollment penalties for Medicare.
- Wondering whether you can continue your dental, vision or life insurance coverage as a retiree? We can help explore options and present affordable solutions.
- Concerned about protecting your savings from long-term illness? Register for our upcoming seminar on November 7, or give us a call to discuss.

Seminar: Long-Term Care Insurance

When:

Thursday, November 7
5:30-7 p.m.

Where:

Sylvia Group
500 Faunce Corner Road
Building 100, Suite 120
Dartmouth, MA

Register online:

bit.ly/SGlongtermcare

Contact:

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For further information, or to ask us to set up a reminder to help you prepare for your Medicare enrollment, please contact:

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