




Medicare basics

HIICAP Regional Training
Fall 2023



The **Medicare Rights Center** is a national not-for-profit consumer service organization that works to ensure access to affordable health care for older adults and people with disabilities.

Medicare Rights works with HIICAP through:

- Monthly coordinator calls
- Quarterly Medicare Counselor newsletters
- Fall and spring regional trainings



Helpline available for HIICAP counselors:

800-480-2060

hiicap@medicarerights.org

Learning objectives

- Understand Medicare eligibility and enrollment periods
- Know differences between Original Medicare and Medicare Advantage
- Describe Medicare drug coverage

Medicare basics



What is Medicare?

- Federal program that provides health insurance for individuals:
 - 65 and older
 - Under 65 receiving Social Security Disability Insurance (SSDI) for a certain amount of time
 - Under 65 with kidney failure requiring dialysis or transplant
- No income requirements

Parts of Medicare

Medicare benefits are administered in three parts:

Part A - Hospital/inpatient benefits

Part B - Doctor/outpatient benefits

Part D - Prescription drug benefit

Two ways to receive Medicare benefits



Original Medicare

- Medicare benefits through traditional program administered by federal government
- Includes Parts A and B
- Part D benefits offered through stand-alone prescription drug plan



Medicare Advantage Plan (e.g., HMO, PPO)

- Medicare benefits through private health plan that contracts with federal government (also called Part C)
- Combines Parts A, B, and usually D benefits under one plan
- Not a separate benefit: everyone with Medicare Advantage still has Medicare

Medicare eligibility - 65+

- After turning 65, individual qualifies for Medicare if they
 - Collect or qualify to collect Social Security or Railroad Retirement benefits
 - **OR** are a current U.S. resident and either
 - A U.S. citizen
 - **OR** a permanent resident having lived in the U.S. for five years in a row before applying for Medicare

Note: Those who are immigrants can qualify for Medicare as long as they meet residency requirements

Medicare eligibility - under 65

- Individual not yet 65 qualifies for Medicare
 - If they have received Social Security Disability Insurance (SSDI) or Railroad Disability Annuity checks for total disability for at least 24 months
 - If they have amyotrophic lateral sclerosis (ALS)
 - They are eligible for automatic enrollment into Medicare the first month they receive SSDI
 - OR, they have End-Stage Renal Disease (ESRD or kidney failure), and they or a family member have enough Medicare work history

Qualifying for premium-free Part A

Part A is free for Medicare-eligible beneficiaries who:

1. Have at least 40 calendar quarters (10 years) of work in any job where they paid Social Security taxes in the U.S.
2. Are eligible for Railroad Retirement benefits
3. Or, have a spouse that qualifies for premium-free Part A under 1 or 2
 - Note: Differences between current spouse (married 12 months), ex-spouse (single and had been married 10 years), and deceased spouse (single and had been married 9 months)



Beneficiaries who are Medicare-eligible but do not meet any of the criteria above must pay a monthly premium for Part A

Enrolling in Medicare

Automatic enrollment

- Someone will be automatically enrolled in Medicare Parts A and B and mailed a Medicare card if:
 - They have enrolled to receive Social Security benefits before they turn 65
 - They have a disability and have been receiving SSDI for at least 24 months
 - OR, they are getting SSDI because they have ALS (people with ALS are automatically enrolled in Medicare the first month they receive SSDI benefits)

First-time enrollment periods

If someone is not automatically enrolled in Medicare, they can enroll for the first time during:



Initial Enrollment
Period



Special
Enrollment Period



General
Enrollment Period

Initial Enrollment Period (IEP)



3 months before
person turns 65



65th birthday
month



3 months after
65th birthday
month

Coverage start date depends on when in the IEP a person enrolls

IEP in 2023

- Enrolling during the first three months of the IEP → coverage begins the month they first become eligible for Medicare
- Enrolling during the fourth through seventh months of the IEP → coverage begins the month following the month of enrollment

Enroll in:	February	March	April	May (birth month)	June	July	August
Coverage begins:	May 1	May 1	May 1	June 1	July 1	August 1	Sept 1



SEP

Special Enrollment Periods

- Periods of time outside normal enrollment periods
- Can be used to enroll in Part B and/or premium Part A
- Sometimes triggered by specific life circumstances

SEP for insurance from current work

- **SEP starts:** When individual has coverage from **current work** (job-based insurance) and they are in their first month of eligibility for Part B
 - Someone does not qualify to use this SEP based on retiree coverage or COBRA
- **SEP ends:** Eight months after individual loses coverage from current employment because employment or insurance ends
 - Using SEP means individual will not have Part B late enrollment penalty

SEPs for exceptional circumstances

- Starting in 2023, SEPs have been created for people to enroll in Part B or premium Part A without penalty
- Individuals may qualify for an SEP if:
 - They lose Medicaid
 - They are in an area with a disaster or emergency
 - They are released from incarceration
 - They make an enrollment mistake based on misinformation from an employer
 - They experience other exceptional circumstances

General Enrollment Period (GEP)

- GEP runs from **January 1 – March 31** of each year
- If someone who is eligible for Medicare misses their IEP or SEP, they can enroll during the GEP
- Coverage begins on the first of the next month
 - Example: If someone enrolls in January, their Medicare coverage starts February 1
- Note: People who use the GEP may also have a lifetime Part B late enrollment penalty

Original Medicare



Original Medicare coverage

- Includes Part A (hospital insurance) and Part B (medical insurance)
- Drug coverage available through stand-alone Part D plan
- Does not cover certain services, such as routine dental care

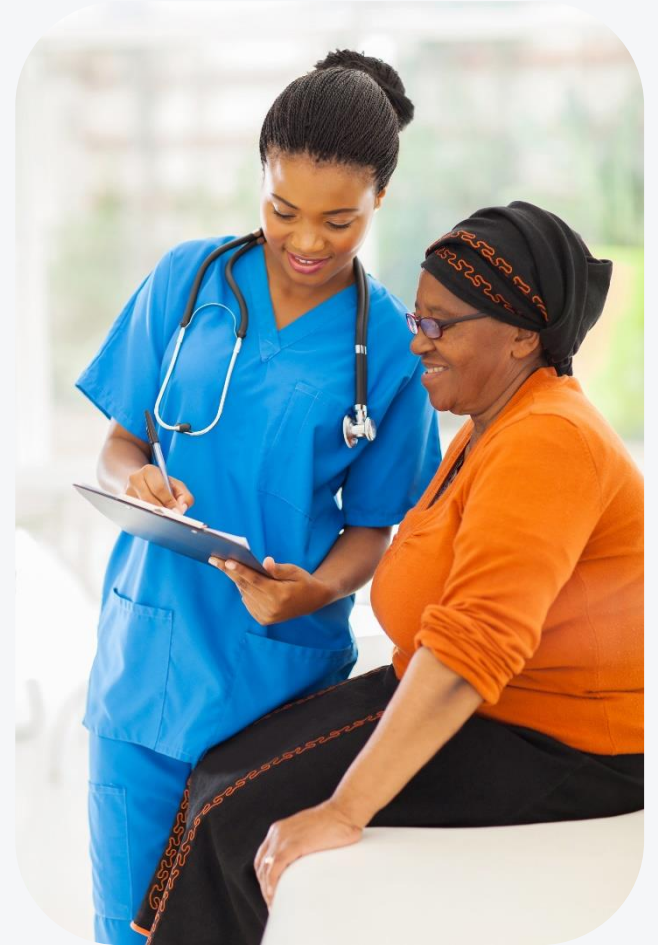
What Part A covers

- **Inpatient hospital care:** Care provided to someone who is formally admitted into hospital by doctor
- **Inpatient skilled nursing facility care:** Short-term post-hospital extended care services
- **Home health care:** Care used to treat an illness or injury in the home
- **Hospice care:** Comprehensive care for people who are terminally ill



What Part B covers

- **Outpatient care:** Care provided by health care professionals if person was not formally admitted as hospital inpatient
- **Doctors' services:** Medically necessary services provided to a person by a doctor
- **Preventive care:** Care to keep a person healthy or prevent illness
- **Home health care:** Care used to treat an illness or injury in the home
- **Durable medical equipment (DME):** Medical equipment provided on an outpatient basis



What Medicare does not cover

- Most dental care
- Most vision care
- Routine hearing care
- Most foot care
- Most long-term care
- Alternative medicine
- Most care received outside the U.S.
- Personal care or custodial care if there is no need for skilled care
- Most non-emergency transportation

Note: Medicare Advantage Plans (or Medicaid if a beneficiary qualifies) may cover these services

Original Medicare providers

- **Provider access**

- No network of providers
- Individual can receive covered services from any provider in the U.S. who accepts Medicare

- **Referral requirements**

- No primary care physician referral for specialist





Original Medicare costs

- No limit on out-of-pocket costs
- Can purchase Medigap policy to cover Medicare cost-sharing

Medicare Advantage

Medicare Advantage (MA) coverage

- Includes Parts A, B, and usually D benefits under one plan
- Medicare Advantage Plans must offer same benefits as Original Medicare Parts A and B, but can do so with different costs and coverage restrictions
 - Example: Beneficiary is required to get prior authorization for certain services
- May cover services that Original Medicare does not cover, such as dental and vision care



Contact plan directly to learn about coverage specifics



Medicare Advantage providers

- **Provider access**

- Beneficiary may have to see in-network providers in order to receive covered care or care at lowest cost

- **Referral requirements**

- Plan may require primary care physician referral to see specialist

Medicare Advantage Plan costs

- Costs vary by plan
- Individual generally must pay Part B **premium**
 - Plan may charge additional monthly premium
- Most plans have a **deductible** and then **fixed copayments**, rather than coinsurances
- People may pay more if they:
 - Get care outside the plan's network or service area
 - Don't ask the plan's permission to get certain types of care or don't follow plan rules
- All MA Plans must have **maximum out-of-pocket limit** (\$8,300 in 2023)

Medicare drug coverage: Part D

Medicare Part D

- Outpatient **prescription drug benefit** for anyone with Medicare
 - Individual is eligible for Part D if they have Part A or Part B
- Only available from private insurance companies
 - Everyone is responsible for a monthly premium
- Each Medicare drug plan has its own **formulary**, or list of covered drugs



Part D enrollment

- Beneficiaries can enroll in a Part D plan during their IEP (after taking either Part A and/or Part B)
- Beneficiaries can also enroll in or make changes to Part D coverage during the Fall Open Enrollment Period
 - Those who use Fall Open Enrollment to enroll for the first time may incur a premium penalty

Two ways to get Part D drug coverage



Original Medicare

- Purchase a stand-alone prescription drug plan
- Private plan offers only drug coverage



Medicare Advantage

- Part D is generally included, and individual receives all Medicare benefits from one plan



For more information & help

Medicare Rights Center HICAP Technical Assistance Helpline:

- hiicap@medicarerights.org
- (800) 480-2060

Medicare Rights Center National Helpline

- (800) 333-4114

Medicare Interactive

- www.medicareinteractive.org



Thank you!