



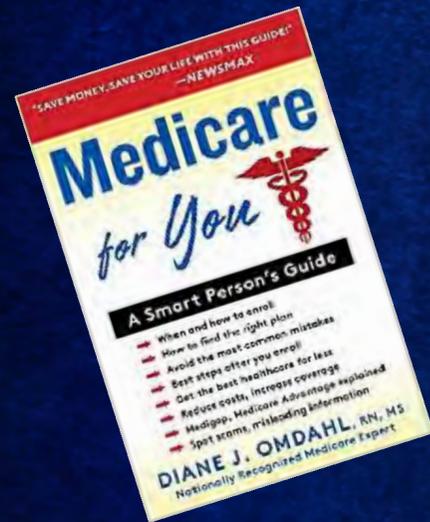
MASTERING
MEDICARE

Learn your A, B and Ds with CEs





**Diane
Omdahl, RN, MS**



MEET YOUR PRESENTERS

- Co-Founders of a 65 Incorporated® and the i65® Medicare Guidance Software, i65.com, 65incorporated.com
- Professional Medicare educators who **DO NOT SELL INSURANCE**
- Combined six decades of helping business and consumers make sense of Medicare (*Conducted over a thousand Medicare consultations and have done hundreds of speaking engagements*)
- Regularly featured in national news media
- Diane released the book, “*Medicare For You,*” in 2023. (*An Amazon Best Seller!*)



**Melinda
Caughill, CSA**



SESSION TWO:

Getting to Know Medicare



Learning Objectives:

- List the Six Steps of Medicare.
- Identify three important Medicare enrollment periods.
- Name the three essential parts of Medicare.
- Summarize two points about the Medicare paths (Original Medicare and Medicare Advantage).
- Define guaranteed issue right

CHAPTER ONE:

The Six Steps of Medicare



Start by learning the **steps**
of Medicare enrollment.



Most people believe Medicare is a three-step process:



Medicare enrollment actually has **six steps**. Here's what is missing:





STEP ONE:
Timing Medicare Enrollment



CHAPTER TWO:
Under Age 65





Under 65, SSDI: **Timing**

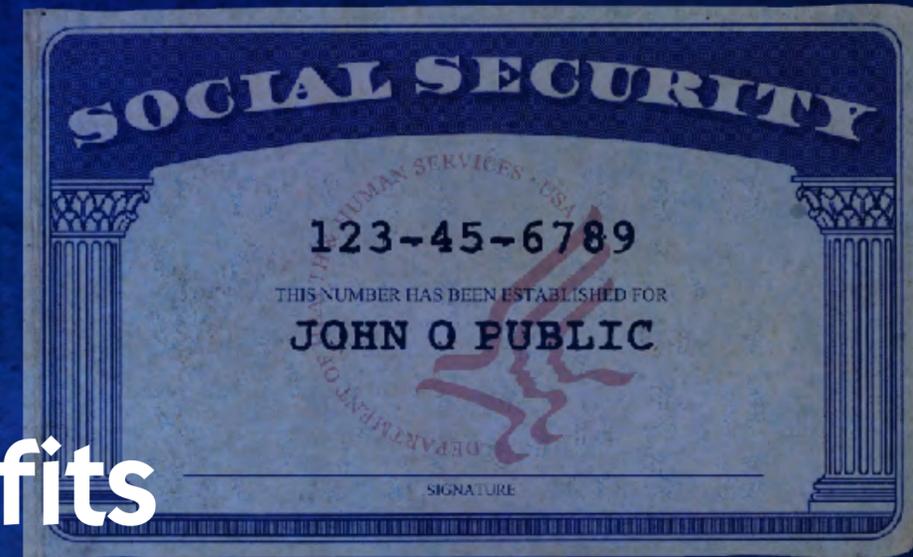
- Social Security Disability Insurance
- Most are enrolled in Part A, Part B automatically as of the 25th month of benefits
- Must keep Part A, condition of receiving benefits
- Question: Keep Part B?
 - Optional coverage
 - Answer depends on current coverage



Under 65, SSDI: **Keep Part B?**

- Employer group health plan (EGHP) sponsored by company with 100 or more employees:
 - Plan is primary payer
 - Can decline Part B before the effective date
- Company with fewer than 100 employees or any other type of coverage:
 - Medicare is primary, Part B enrollment essential
 - May be able to keep the employer plan
- In either situation, conduct a cost-benefit analysis

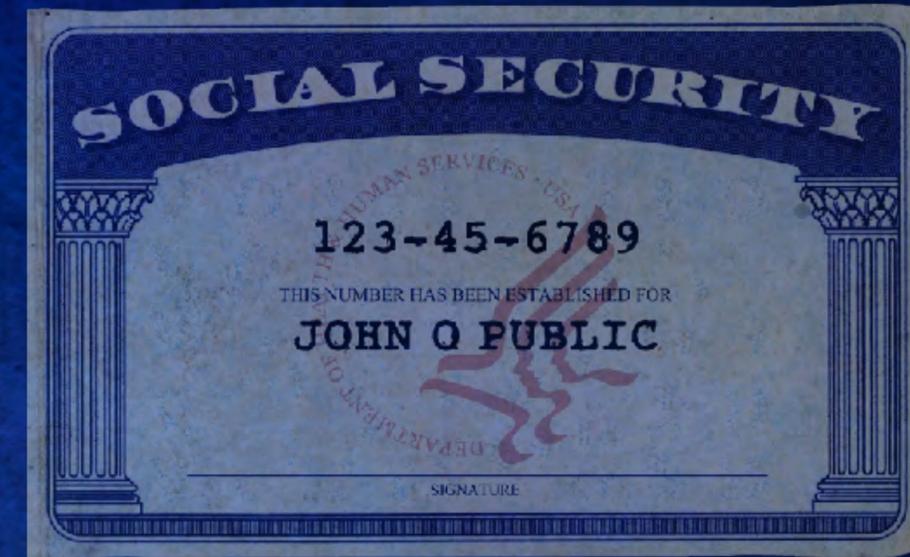
Under 65: Signing up for Social Security Benefits



- Earliest age to qualify for benefits is age 62
- Almost 30% apply for benefits at age 62
- Contrary to popular belief, this does not qualify them for Medicare

Under 65, SSDI: Medicare Coverage

- Medigap policy:
 - Only 34 states require insurer to sell policies
 - Different rules, likely higher premiums
- Medicare Advantage plans available to anyone
- Another IEP at age 65:
 - Select new coverage
 - Ability to get Medigap policy of choice





Getting Into Medicare: **Three Medicare Enrollment Periods**

- **Initial Enrollment Period (IEP):**
 - Seven months surrounding the birthday
 - Everyone must pay attention
- **Special Enrollment Period (SEP):**
 - Those who worked past age 65
 - Primarily for Part B, medical insurance
- **General Enrollment Period (GEP):**
 - Oops, you missed your chance
 - January 1-March 31





Getting Into Medicare: **Three Medicare Enrollment Periods**

- What about the Open Enrollment Period?

No!

CHAPTER THREE:

Turning 65 and the Initial Enrollment Period





You can enroll in Medicare at any time.

48% got this wrong.

Nationwide Retirement Institute, 2023 Health Care Costs in Retirement Survey





If you're receiving Social Security benefits at age 65, you'll be enrolled automatically in Medicare.

64% got this wrong.

Nationwide Retirement Institute, 2023 Health Care Costs in Retirement Survey





You never have to enroll in Part B
if you are still working.

72% got this wrong.

Nationwide Retirement Institute, 2023 Health Care Costs in Retirement Survey





Turning 65: Situations

- Do not qualify for premium-free Part A
- Already receiving Social Security retirement benefits
- Coverage not based on current employment (retiree plans, COBRA, severance package, VA health care, individual plans)
- Employer group health plan (EGHP):
 - Company with 20 or more employees
 - Company with fewer than 20 employees





Turning 65:

Do Not Qualify for Premium-free Part A

- If no employer group health plan, must enroll at age 65 and pay monthly premium:
 - At least 30 credits – \$278
 - Fewer than 30 credits – \$505
- Must also enroll in Part B
- If missing the IEP, must wait until the General Enrollment Period and face a penalty
- If covered by a group health plan, can defer enrollment





Turning 65: **Already Receiving Social Security Retirement Benefits**

- Enrolled automatically in Part A, Part B at age 65
- Part B is optional:
 - Decision depends on current coverage
 - Must decline before the effective date (follow instructions on Medicare card)





Turning 65: Coverage Not Based on Current Employment

- Those who do not have an employer group health plan (EGHP) at age 65 related to current employment will not qualify for special enrollment to enroll in the future
- Coverage becomes secondary to Medicare
- Must enroll in Part A, Part B during IEP



Retiree Plans

- Fewer than 15% of large employers offer retiree coverage
- Must enroll in Part A, Part B
- How it coordinates with Medicare depends on terms
- Most common way in past, secondary payer, similar to Medigap policy
- Medicare Advantage plans taking over



Retiree Plans: Medicare Advantage Retiree Plans



- Half of employers offering retiree coverage:
 - “Employer-sponsored plans receive billions of dollars in federal payments,” KFF
 - Government pays most of the healthcare costs.
- CMS has the statutory authority to “waive or modify requirements that hinder offering, enrollment in these plans
- If not taking plan, retirees can lose benefits; may not have option to continue current coverage

Retiree Plans: Making Changes with Retiree Plans



- Unless forbidden in plan documents, companies can modify, revoke, suspend, terminate or change the program at any time
- If retiree is not happy with plan:
 - Can drop it during annual opportunity
 - May lose retiree benefits
 - In most states, likely will have to pass medical underwriting to get Medigap policy
- If sponsor drops coverage, retiree gets a “do-over”

COBRA Continuation Coverage

- If on COBRA when turning 65, coverage generally ends at age 65
- If offered COBRA at age 65 or older:
 - Coverage is the same EGHP, generally with higher premiums; however, no current employment
 - Secondary to Medicare, must enroll in Part A, Part B
 - May jeopardize future Medicare options



Other Non-employer Coverage

- Veterans Affairs (VA) coverage:
 - VA will provide care without Medicare enrollment
 - However, locked into VA facilities, pharmacies
- Individual health plan:
 - Can keep Marketplace plan after Medicare enrollment but subsidies stop
 - Generally can keep individual plan
- Severance package: similar issues to COBRA
- In all situations, must enroll in Part A, Part B during IEP



Employer Group Health Plan (EGHP): **Important Concepts**

- Same rules apply to the employee (policy owner) or spouse
- For Medicare purposes, a domestic partner with an EGHP is treated as having no coverage
- Owner of policy must be actively working, not just collecting a paycheck

Employer Group Health Plan (EGHP): **Large Company with 20 or More Employees**

- By law, the primary payer, company cannot change the rules
- Part A enrollment:
 - Not for those with Health Savings Account (HSA)
 - Could be beneficial for others
 - Must enroll if applying for Social Security
- Part B enrollment:
 - Optional because of premium
 - Could jeopardize future Medicare options
 - Special enrollment opportunity, no penalties



Employer Group Health Plan (EGHP): Small Company with Fewer than 20 Employees

- Company is in charge
- It can continue coverage for those turning 65:
 - By law, Medicare is primary payer so Part A, Part B enrollment is necessary
 - Should do cost-benefit analysis
- Or, it can choose not to provide coverage:
 - Title 42, civil rights, age discrimination don't apply
 - Medicare coverage essential



CHAPTER FOUR:

Over 65 and the Part B Special Enrollment Period





Over 65: **Keeping an EGHP and Part B Special Enrollment Period (SEP)**

- EGHP sponsored by large employer is the only scenario that does not risk coverage gaps or late enrollment penalties
- If qualifying for premium-free Part A, can enroll at any time, no special period
- Must qualify for Part B SEP:
 - At age 65, have an EGHP based on current employment (owner or spouse)
 - No gaps of eight months or more in employment or coverage



Over 65: Part B SEP

- Part B SEP allows Part B enrollment without penalty or delay:
 - While still covered with EGHP based on current employment
 - During an eight-month period, beginning the month after employment or coverage ends, **whichever comes first**
- If continuing with an EGHP not based on employment, Part B SEP is at risk

OUR CLIENTS' STORIES

MEET MARGARET

When her coverage ended April 30, 2024, she discovered her Part B SEP had ended May 31, 2021. She cannot enroll in Part B until the General Enrollment Period in January 2025. She will not have coverage for 10 months and will pay a late enrollment penalty.

She missed her Part B SEP.



Over 65:

Keep EGHP or Opt for Medicare?

- Social Security benefits status
- Employment status
- Employer size
- Health Savings Account status
- Cost and quality of health coverage
- Dependents
- Prescription drug savings programs





Three Issues:

Keeping EGHP Past Age 65

- Creditable prescription drug coverage
- Health Savings Account (HSA)
- Changing jobs (preserve right to Part B Special Enrollment Period)



Keeping EGHP Past Age 65: Creditable Drug Coverage

- Plan must pay at least as much as Part D plan
- Company must provide notice in October about status of drug coverage



Important Notice from [Insert Name of Entity] About Your Prescription Drug Coverage and Medicare

2. [Insert Name of Entity] has determined that the prescription drug coverage offered by the [Insert Name of Plan] is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

Keeping EGHP Past Age 65: Creditable Drug Coverage

- Plan must pay at least as much as Part D plan
- Company must provide notice in October about status of drug coverage
- Part D late enrollment penalty if coverage is not creditable:
 - 1% of base beneficiary premium for every month without creditable coverage, 34.7¢ in 2024
 - Penalty amount changes every year, follows for life
- May make strategic decision not to enroll in Part D



Keeping EGHP Past Age 65: Health Savings Account (HSA)

- Can continue contributions to legal limit if not enrolled in Social Security or Medicare
- Once enrolled, no longer eligible to contribute
- Spouse's enrollment does not have impact on HSA owner
- Social Security policy on retroactivity: Part A backdated six months from application
- Once enrolled, use HSA distributions for any qualified medical expenses, except Medigap premiums



Keeping EGHP Past Age 65: Health Savings Account (HSA)

- ONLY Triple-tax benefit retirement fund
 - Money goes in Tax-free
 - Money grows Tax-free
 - Money is withdrawn Tax-free
- HSA funds can be invested like other money assets
- Maximum contribution: \$4,150 for singles, \$8,300 for families
- Catch-up Contribution: People 55 years of age and older can contribute an additional \$1,000/year per person



Keeping EGHP Past Age 65: **Changing Jobs**

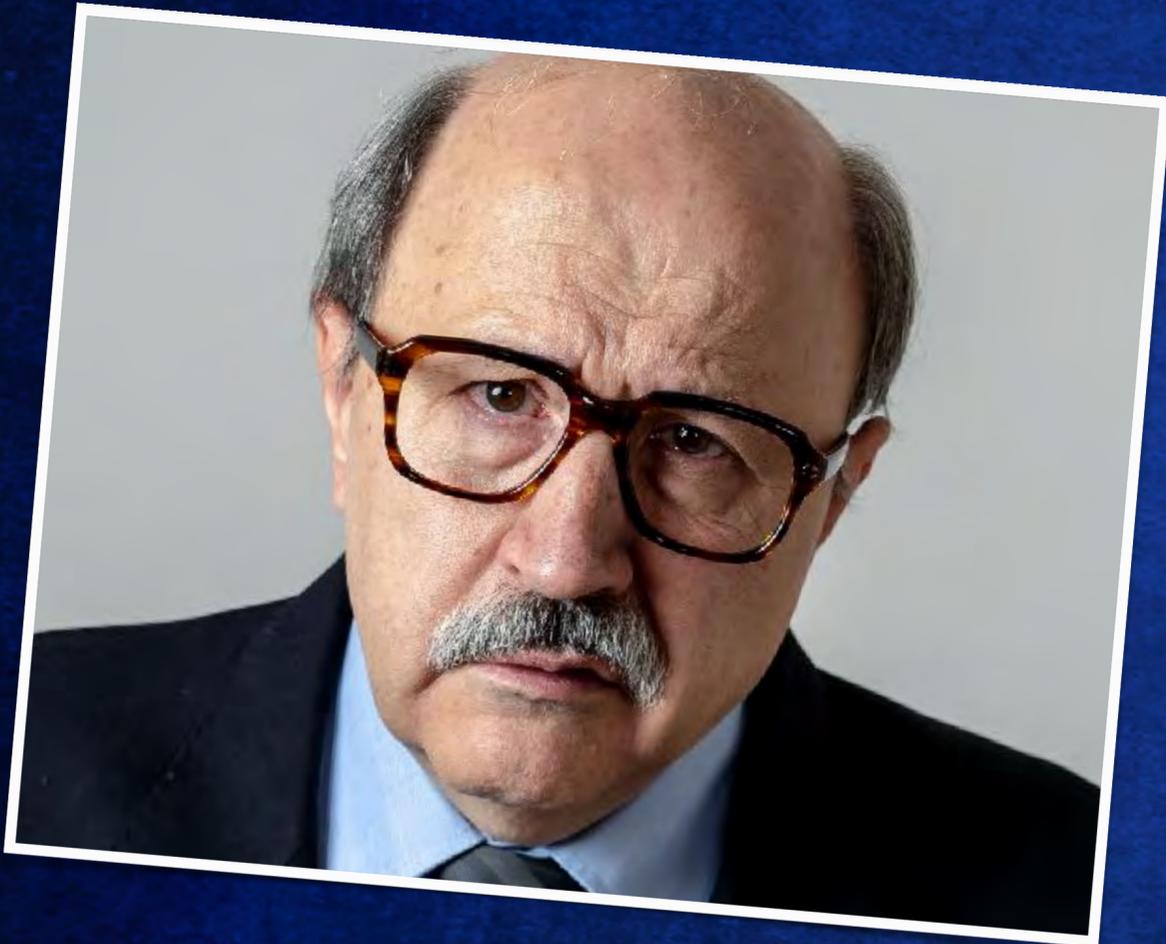


OUR CLIENTS' STORIES

MEET HERBERT

Herbert did not know that he had to get documentation of coverage and employment of employment and coverage back for every job back to the age of 65. He thinks some of the companies may have gone out of business.

He likely won't qualify for a Part B SEP.



Keeping EGHP Past Age 65: Changing Jobs

- To qualify for special enrollment period, employment and coverage must be continuous, no gaps of eight months or more
- CMS-L564, Request for Employment Information:
 - Provides documentation to prove there were no gaps



REQUEST FOR EMPLOYMENT INFORMATION

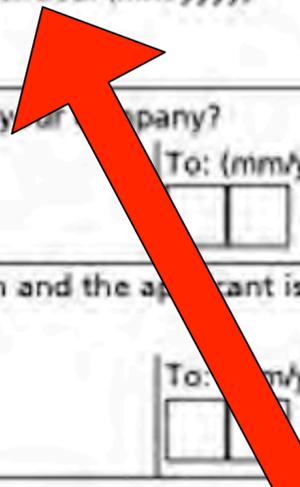
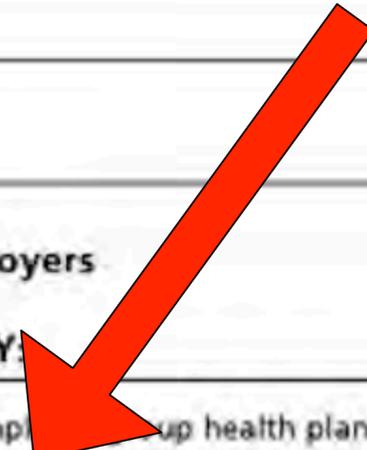
SECTION A: To be completed by individual signing up for Medicare Part B (Medical Insurance)

1. Employer's Name		2. Date	
		□□ / □□ / □□□□	
3. Employer's Address			
City		State	Zip Code
		□□	□□□□
4. Applicant's Name		5. Applicant's Social Security Number	
		□□□ - □□ - □□□□	
6. Employee's Name		7. Employee's Social Security Number	
		□□□ - □□ - □□□□	

SECTION B: To be completed by Employers

For Employer Group Health Plans ONLY:

1. Is (or was) the applicant covered under an employer group health plan? <input type="checkbox"/> Yes <input type="checkbox"/> No		
2. If yes, give the date the applicant's coverage began. (mm/yyyy)		
□□ / □□□□		
3. Has the coverage ended? <input type="checkbox"/> Yes <input type="checkbox"/> No		
4. If yes, give the date the coverage ended. (mm/yyyy)		
□□ / □□□□		
5. When did the employee work for your company?		
From: (mm/yyyy)	To: (mm/yyyy)	Still Employed: (mm/yyyy)
□□ / □□□□	□□ / □□□□	□□ / □□□□
6. If you're a large group health plan and the applicant is disabled, please list the timeframe (all months) that your group health plan was primary payer.		
From: (mm/yyyy)	To: (mm/yyyy)	
□□ / □□□□	□□ / □□□□	



REQUEST FOR EMPLOYMENT INFORMATION

SECTION A: To be completed by individual signing up for Medicare Part B (Medical Insurance)

1. Employer's Name		2. Date	
		□□ / □□ / □□□□	
3. Employer's Address			
City		State	Zip Code
		□□	□□□□
4. Applicant's Name		5. Applicant's Social Security Number	
		□□□ - □□ - □□□□	
6. Employee's Name		7. Employee's Social Security Number	
		□□□ - □□ - □□□□	

SECTION B: To be completed by Employers

For Employer Group Health Plans ONLY:

1. Is (or was) the applicant covered under an employer group health plan? <input type="checkbox"/> Yes <input type="checkbox"/> No		
2. If yes, give the date the applicant's coverage began. (mm/yyyy)		
□□ / □□□□		
3. Has the coverage ended? <input type="checkbox"/> Yes <input type="checkbox"/> No		
4. If yes, give the date the coverage ended. (mm/yyyy)		
□□ / □□□□		
5. When did the employee work for your company?		
From: (mm/yyyy)	To: (mm/yyyy)	Still Employed: (mm/yyyy)
□□ / □□□□	□□ / □□□□	□□ / □□□□
6. If you're a large group health plan and the applicant is disabled, please list the timeframe (all months) that your group health plan was primary payer.		
From: (mm/yyyy)	To: (mm/yyyy)	
□□ / □□□□	□□ / □□□□	

Keeping EGHP Past Age 65: Changing Jobs

- To qualify for special enrollment period, employment and coverage must be continuous, no gaps of eight months or more
- CMS-L564, Request for Employment Information:
 - Provides documentation to prove there were no gaps
 - More specifics in next session
- Before closing door on a job, get the completed CMS-L564



Keeping EGHP Past Age 65: Small Employer Plan

- Will be able to qualify for Part B SEP
- However, by law, this coverage is secondary to Medicare:
 - If a serious health issue develops, the insurer may not pay
 - Recommend Medicare enrollment during IEP



CHAPTER FIVE:

The General Enrollment Period



General Enrollment Period (GEP)

- Did not enroll during the IEP:
 - VA, retiree, individual, COBRA plans; severance package
 - FEHB retirees
 - No coverage
- Did not qualify for and/or enroll during the SEP:
 - VA, retiree, individual, COBRA plans after age 65
 - EGHP retirees delayed more than eight months
 - No coverage
- Do not qualify for premium-free Part A, did not enroll during valid enrollment period



GEP Basics

- Mainly for Part B enrollment
- If person qualifies for premium-free Part A, can enroll at any time
- Three months every year, January 1-March 31
 - Coverage begins month after enrolling
 - Then, can enroll in a Part D or Medicare Advantage plan, Medigap policy



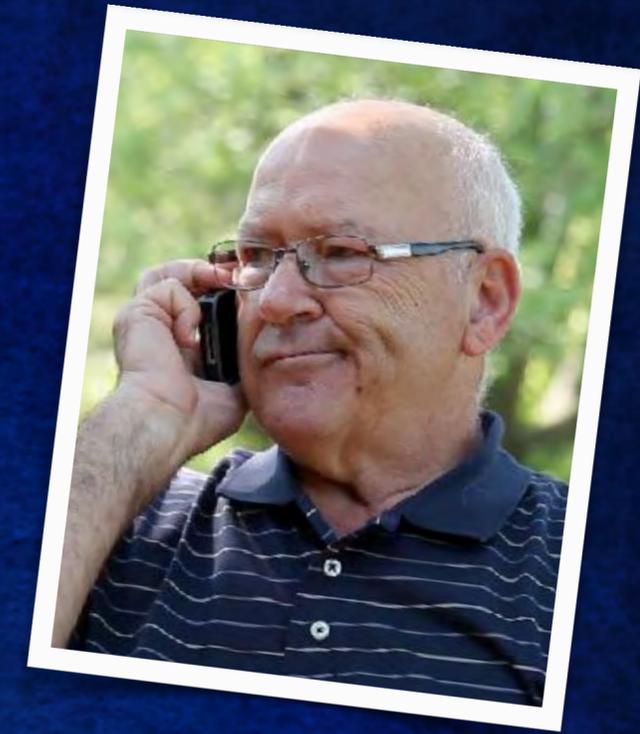
GEP Repercussions

- Gap in coverage:
 - Have to wait until January to enroll in Part B
 - Need Part B for a Medicare Advantage plan or supplement
- Late enrollment penalties:
 - Part A, hospital insurance
 - Part B, medical insurance
 - Part D, prescription drug coverage



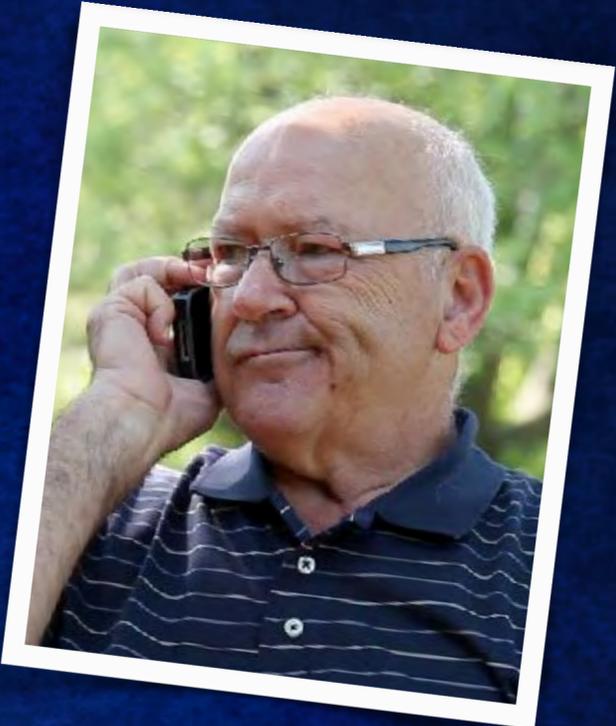
Part A Late Enrollment Penalty

- Did not qualify for premium-free Part A and missed enrollment
- 10% of Part A premium
- 2024 penalty amount:
 - \$50.50 a month (\$505 premium) for people with fewer than 30 credits
 - \$27.80 a month (\$278 premium) for people with 30-39 credits
- Penalty applies for twice as many years as Part A enrollment was delayed



Part B Late Enrollment Penalty

- For people who do not qualify for Part B SEP or did not enroll during their SEP
- Part B penalty permanently increases the monthly premium by 10% of the standard Part B premium amount for every full year not enrolled



COST CALCULATION:

$$\text{Full Years Delayed} \times \left(\text{Standard Part B Premium} \times 10\% \right) = \text{Monthly Part B Penalty}$$

EXAMPLE:

$$3 \text{ years} \times \left(\$174.70 \times 10\% \right) = \$52.41$$

OUR CLIENTS' STORIES

MEET ESTHER

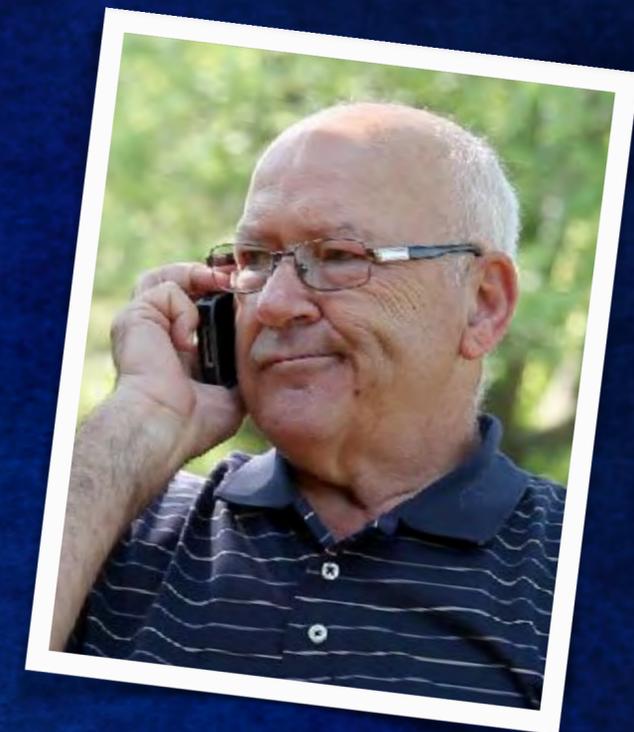
Because she had not enrolled during her Part B SEP, she had to wait for the GEP and she now pays a Part B late enrollment penalty. That's an additional \$34.94 per month this year.

She will pay the penalty for life.



Part D Late Enrollment Penalty

- Applies after 63 days without creditable drug coverage
- Part D penalty permanently increases the monthly premium by 1% of the standard Part D plan for each month without creditable drug coverage



COST CALCULATION:

$$\text{Months Delayed} \times \left(\text{Standard Part D Plan Premium} \times 1\% \right) = \text{Monthly Part D Penalty}$$

EXAMPLE:

$$48 \text{ months} \times \left(\$34.70 \times 1\% \right) = \$16.70^*$$

*Rounded to the nearest dime



OUR CLIENTS' STORIES

MEET TOM

After 10 years on his wife's drug plan, he discovered the coverage was not considered creditable.

He must pay a late Part D late enrollment penalty for 96 months, \$33.30 a month in 2024.

Tom will pay at least \$33 per month for life.



CHAPTER SIX:

Federal Employees



Federal Employee Health Benefits (FEHB) Plans: To Enroll or Not Enroll in Medicare?

- FEHB plan is only coverage that will pay primary after age 65, regardless of employment or enrollment status
- Medicare enrollment is optional for FEHB plan members; they cannot be forced to enroll
- Part A enrollment:
 - Premium-free, may add benefits
 - Must enroll when applying for Social Security benefits
- Part A decision comes down to cost vs. benefits





Federal Employee Health Benefits (FEHB) Plans: To Enroll or Not Enroll in Part B?

- Benefits:
 - Some plans waive cost sharing, help with Part B premiums
 - Better coverage, enhanced networks
- Costs:
 - Part B premium, IRMAA for higher income people
- Repercussions for delaying Part B enrollment:
 - Late enrollment penalty
 - Cannot enroll until the GEP (Jan.-March)





Federal Employee Health Benefits (FEHB) Plans: To Enroll or Not Enroll in Part D?

- FEHB plans have creditable drug coverage so Part D enrollment not necessary
- New in 2024, the Office of Personnel Management encouraged plans to integrate Part D:
 - 39 FEHB and FEHB Medicare Advantage plans now, but maybe all in 2025
 - FEHB members with Part A and/or Part B enrolled automatically with 30-day opt-out period to evaluate new drug coverage



Notice sent to FEHB plan members enrolled in Part A and/or Part B

FEHB Plan is enrolling you in **Medicare Rx offered by** **Employer PDP for**
as your Medicare Part D prescription drug plan beginning May 1, 2024, unless you
tell us by **April 10, 2024** that you do not want to be enrolled in our plan.

You do not have to do anything if you want to be enrolled in the plan. Your coverage automatically begins on May 1, 2024.

If you are currently enrolled in a different Medicare prescription drug plan or a Medicare Advantage (MA) HMO or PPO plan (Part C), enrolling in **Medicare Rx offered by** **will cancel** your enrollment in the other plan. Please call us if you think you might be enrolled in a different Medicare prescription drug plan or a Medicare Advantage plan.





Federal Employee Health Benefits (FEHB) Plans: To Enroll or Not Enroll in Part D?

- Advantages of Part D coverage:
 - \$35 insulin, no vaccine cost sharing
 - \$2,000 cap in 2025 **YOU'LL LEARN MORE ON THIS IN SESSION 4.**
 - No additional premium, maybe lower cost sharing
- Disadvantages:
 - Could lose coverage of weight-loss drugs
 - No manufacturers' coupons
 - Subject to IRMAA



United States Postal Service (USPS): Changes Coming



- USPS lost \$6.5 billion in 2023, \$2.1 billion in first quarter 2024
- Postal Service Reform Act of 2022 (PSRA):
 - Will save the Postal Service about \$50 billion and add \$5.6 billion to Medicare over next decade
 - Established the Postal Service Health Benefits (PSHB) program
 - PSHB plans will replace FEHB plans in 2025
- New rules also apply to dependent family members (coverage based on primary subscribers eligibility)



USPS: Retirees



- Annuitants as of January 1, 2025:
 - Do not have to enroll in Part B
 - Will have SEP April 1-September 30 to enroll without penalty
- Annuitants already enrolled in Medicare Part B must remain enrolled to continue with PSHB plans
- No guidance for those who are already paying penalties

USPS: Active Employees



- Age 64 or older as of January 1, 2025:
 - Not required to enroll but can do so at retirement
 - If not, likely will face late enrollment penalty in future
- Under age 64 as of January 1, 2025:
 - When retiring, must enroll in Part B to keep PSHB plan
 - Timing (Initial Enrollment Period or Part B SEP) depends on retirement date
- Part B premiums and IRMAA apply



USPS: Prescription Drug Coverage

- FEHB plans have creditable drug coverage so Part D enrollment has not been necessary
- New law integrates PSHB plans and Part D coverage:
 - Part D coverage is automatic when enrolling in PSHB plans
 - No separate premium
 - Members will be subject to Part D IRMAA



CHAPTER SEVEN:

The Parts and Paths of Medicare



STEP TWO:

Choose Your **Medicare Path**



Which type of coverage is best for YOUR needs?

- Original Medicare with a Medigap
- Medicare Advantage
- Retiree coverage
- Military coverage
- Federal employee benefits

Medicare has **four parts**.



CONFUSING!





Hospital Insurance

- Inpatient care in hospitals
- SKILLED nursing facilities
- SKILLED home health care
- Hospice





Medical Insurance



- Medically necessary services to diagnose or treat a medical condition
- Preventive services
- \$174.70/month per person





Drug Coverage

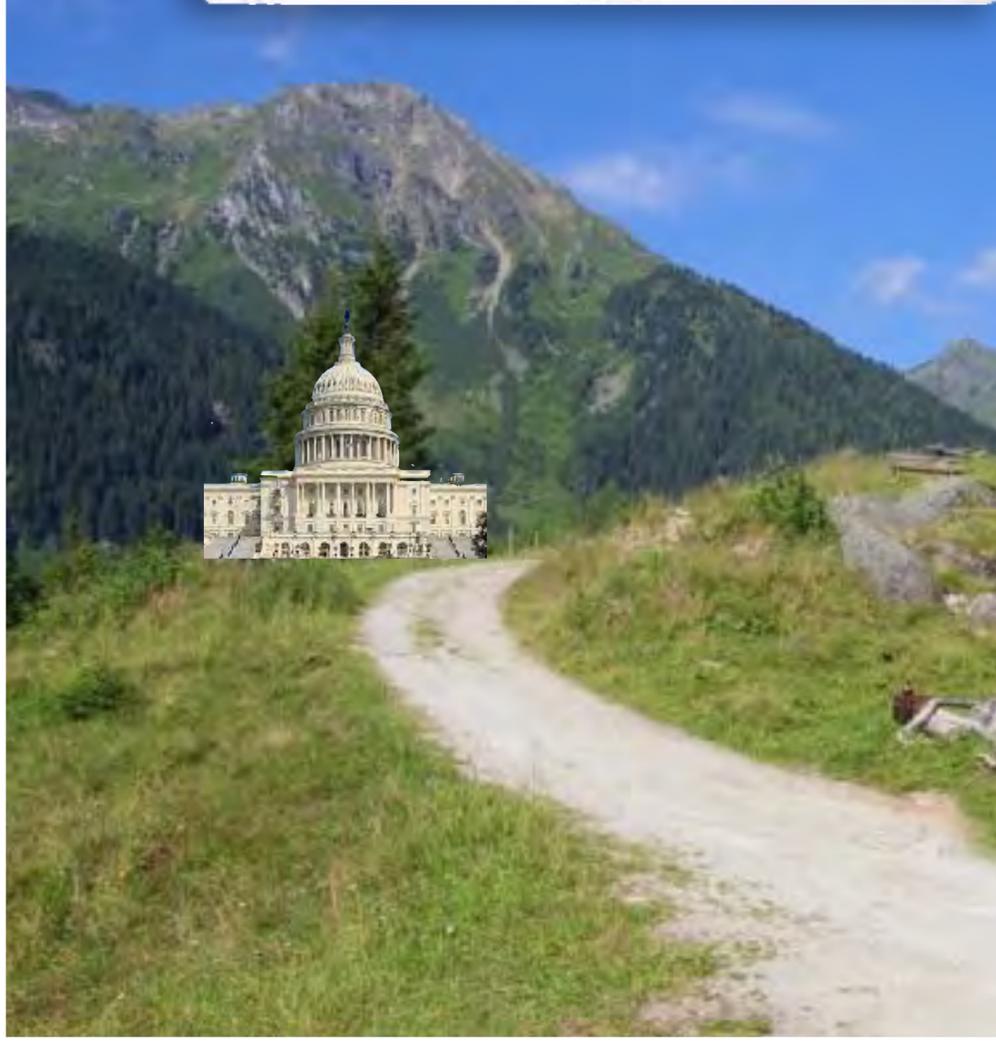


- Administered by private insurance companies, not the government
- Only help cover the costs of prescription medications; expect co-pays

The **two paths** of Medicare



ORIGINAL MEDICARE



- Administered by the U.S. Government
- Also known as Traditional Medicare or Fee-for-service Medicare
- See any provider who accepts Medicare:
 - 99% of physicians accept Medicare
 - Including Mayo Clinic, Cleveland Clinic, etc.

Physician Compare www.medicare.gov/care-compare





- Starts with Part A , Part B:
 - Part A: \$1,632 hospitalization deductible
 - Part B: 20% coinsurance on healthcare services
 - ***No out-of-pocket limit***
- For comprehensive coverage, add:
 - Medigap policy
 - Part D prescription drug plan



What is a Medigap policy?

- Also called a Medicare Supplement
- Provides coverage of the payment “gaps” in Medicare Part A and B
- Federally-standardized Plans A through N
 - Every standardized plan must provide **the same basic coverage regardless of carrier or price**
- MA, MN, WI use unique standardizations
- **IMPORTANT — A Guaranteed Issue Right ensures that you can get a Medigap policy**



Guaranteed Issue Right (GIR)

- ▶ Ensures that you can get a Medigap policy *without medical underwriting*
 - Insurance companies cannot deny coverage or raise premiums based upon your medical history
- ▶ This GIR begins when you are 65 or older AND enrolled in Medicare Part B
 - It lasts for six months or, depending on if you qualify, after 12 months after first enrolling in a Medicare Advantage plan
- ▶ Without a GIR, you may NOT be able to get OR change a Medigap policy, depending on the state
 - You go through medical underwriting to get a policy



Guaranteed Issue Right (GIR)

- ▶ Some states offer additional opportunities to make changes:
 - **“Birthday rules”** in CA, ID, IL, KY, LA, MD, NV, OR give the ability to change policies in a specific period of time around your day of birth
 - **“Anniversary rules”** in MO allow you to change policies in a time period around the date you purchased your policy
 - **“Continuous open enrollment rules”** in ME, WA allow you to change policies any time during the year
 - *You must have an existing policy to change policies.*
- ▶ Additional rules dictate which Medigap policies you may switch to without underwriting



Guaranteed Issue Right (GIR)

- ▶ States in which you always have a Guaranteed Issue Right:
 - **In NY, CT, you get or change Medigap policies at any time**
 - ➔ If you have a Medicare Advantage plan, you must be able to disenroll from that plan before getting a Medigap policy
 - **In MA, you get or change Medigap policies between Feb. 1-March 31**
 - ➔ New Medigap coverage is effective June 1
 - **In ME, you can get a Medigap Plan A only at any time**
 - ➔ If you have a Medicare Advantage plan, you must be able to disenroll from that plan before getting a Medigap policy



Guaranteed Issue Right (GIR)

- ▶ GIR applies to ONLY Medigap policies; Medicare Advantage plans and Part D drug plans **cannot** deny coverage
- ▶ The GIR happens one-time only
 - Once your Medigap Open Enrollment Period begins, it cannot be changed or restarted
- ▶ Exceptions to the one-time ONLY rule:
 - **“NUCLEAR OPTION”**—People who move out of a their Medicare Advantage plan area get a new 63-day GIR
 - Moving into or out of a skilled nursing facility
 - If an insurer goes out of business, defrauds you, etc.



Guaranteed Issue Right (GIR)

- ▶ Medicare Advantage Trial Period:
 - 12-month trial when electing Medicare Advantage during IEP:
 - ➔ Disenroll, return to Part A and Part B, get a Part D drug plan
 - ➔ Guaranteed issue right to get a supplement
 - Dropping a Medigap policy (first time only) to elect Medicare Advantage after age 65:
 - ➔ 12-month trial period, beginning on Advantage effective date
 - ➔ Get the same Medigap policy, if available
 - ➔ If not, get any policy sold in the state
 - ➔ Must act by end of 12th month

ORIGINAL MEDICARE



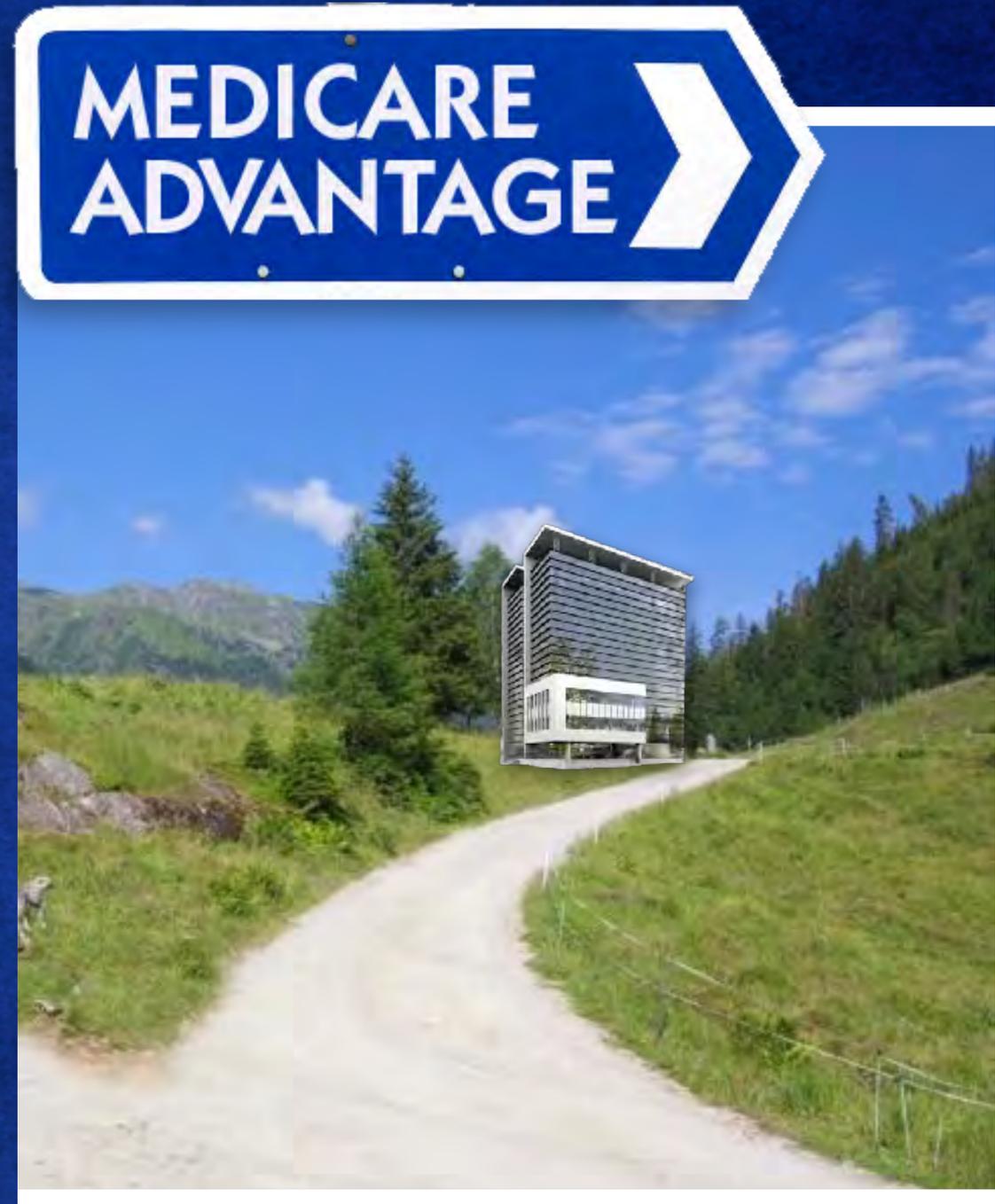
- Pay a monthly premium and then have no out-of-pocket costs for healthcare services
- A very budgeted and predictable approach to receiving healthcare and estimating expenses



<i>Parts A & B Costs are Identical on Either Path</i>	
Part A	\$0 As long as you qualify
Part B	\$174.70
Medigap Policy	\$183
Part B Annual Deductible	\$240 (\$20 per month)
Part D Plan	\$33
Out-of-Pocket Healthcare Costs	Basically \$0

Original Medicare
TOTAL: About \$400

- Medicare administered by a private insurance company:
 - Insurance company is in charge
 - Identified by an insurance card



THE IMPORTANT “STUFF”

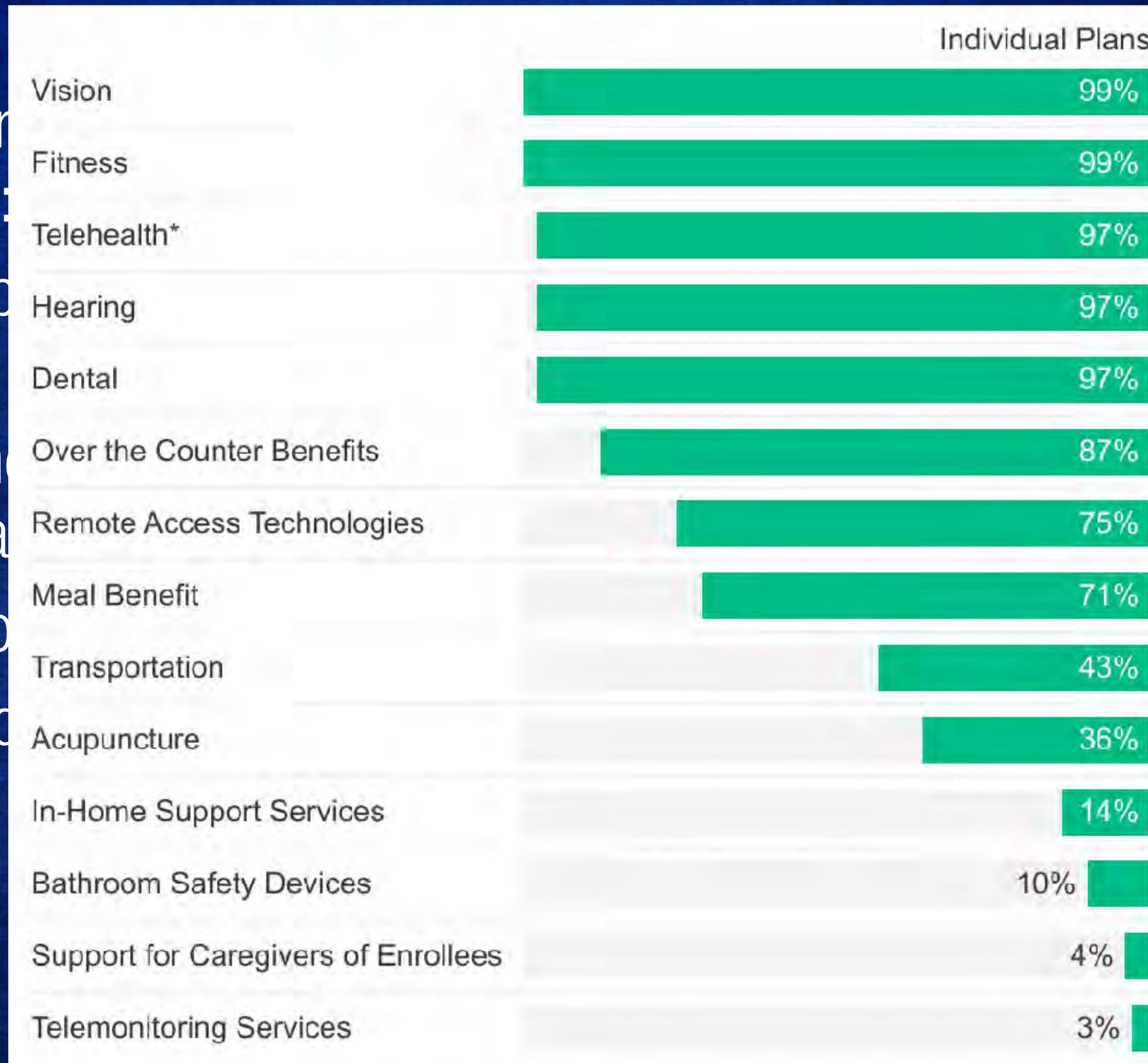
You do NOT have the government’s version of Medicare when you have Medicare Advantage.

You give that up.

Instead, you have Medicare provided by a private insurance company.



- Medicare policies:
 - Must pay for Part B
 - Can include coverage
 - Very low
 - Can add dental





What does it really mean to have "Free" dental?

IMPORTANT:
Get to know “Plan Limits”



Figure 4

More than half (59%) of Medicare Advantage enrollees are in plan with a maximum dental benefit of \$1,000 or less (among those in plans with an annual limit)

Maximum Medicare Advantage Dental Plan Benefit, 2021



**Average Dental Plan Limit:
\$1,300**
59% of plans are <\$1,000

NOTE: Numbers may not sum due to rounding. About 11.2 million Medicare Advantage Enrollees in individual plans have maximum plan limits dental plans pay toward covered services. Group and SNP enrollees are excluded.

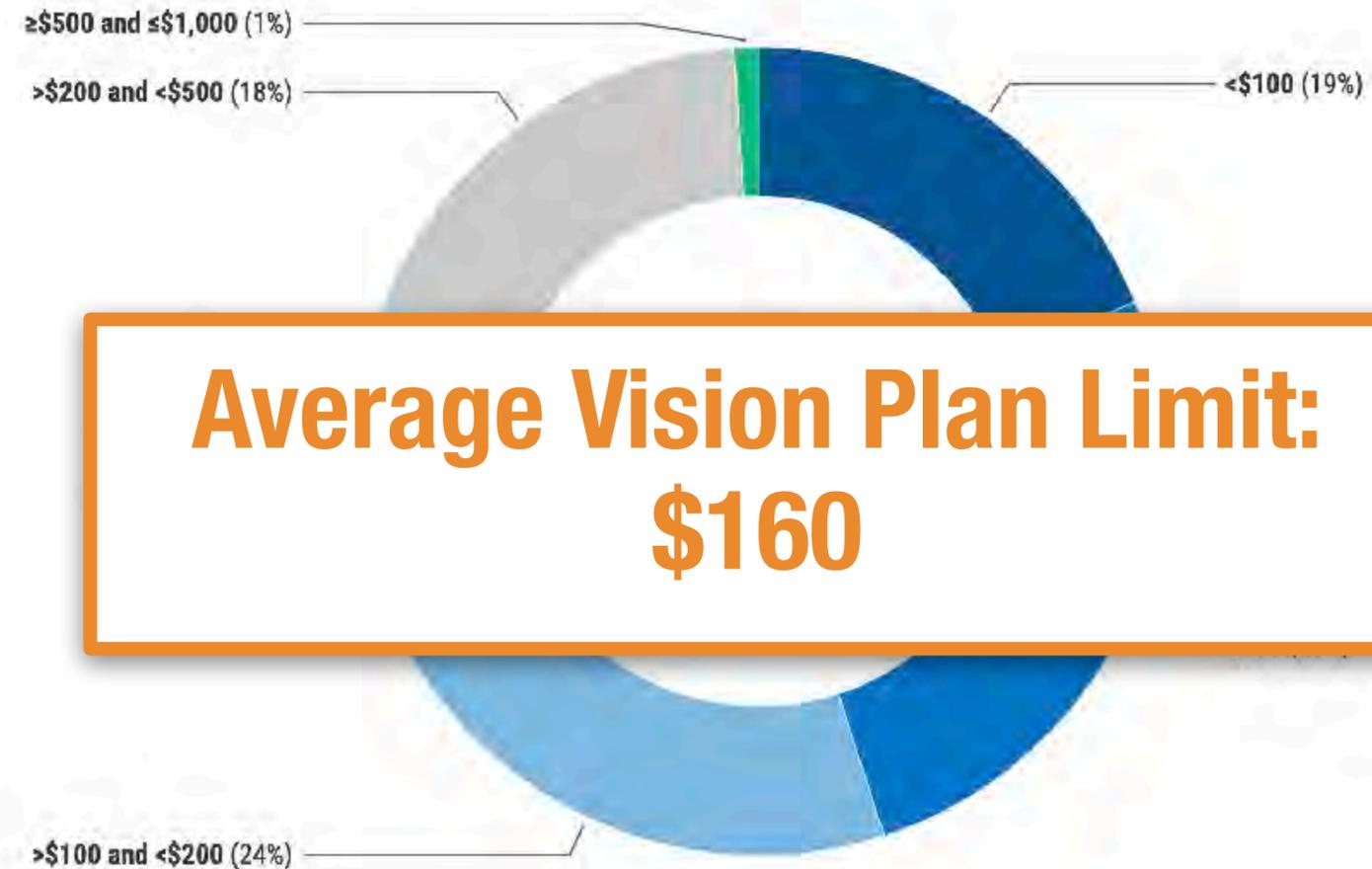
SOURCE: KFF analysis of CMS Medicare Advantage Enrollment and Benefit Files, 2021. • PNG



Figure 7

Virtually all Medicare Advantage plans that offer vision have an annual dollar limit on the benefit; nearly half of enrollees in these plans have a limit of \$100 or less in 2021

Maximum Medicare Advantage Vision Plan Benefit, 2021



**Average Vision Plan Limit:
\$160**

NOTE: Numbers may not sum due to rounding. About 16.1 million Medicare Advantage Enrollees in individual plans have maximum plan limits vision plans pay toward covered services. Group and SNP enrollees are excluded.

SOURCE: KFF analysis of CMS Medicare Advantage Enrollment and Benefit Files, 2021. • PNG



THE IMPORTANT “STUFF”

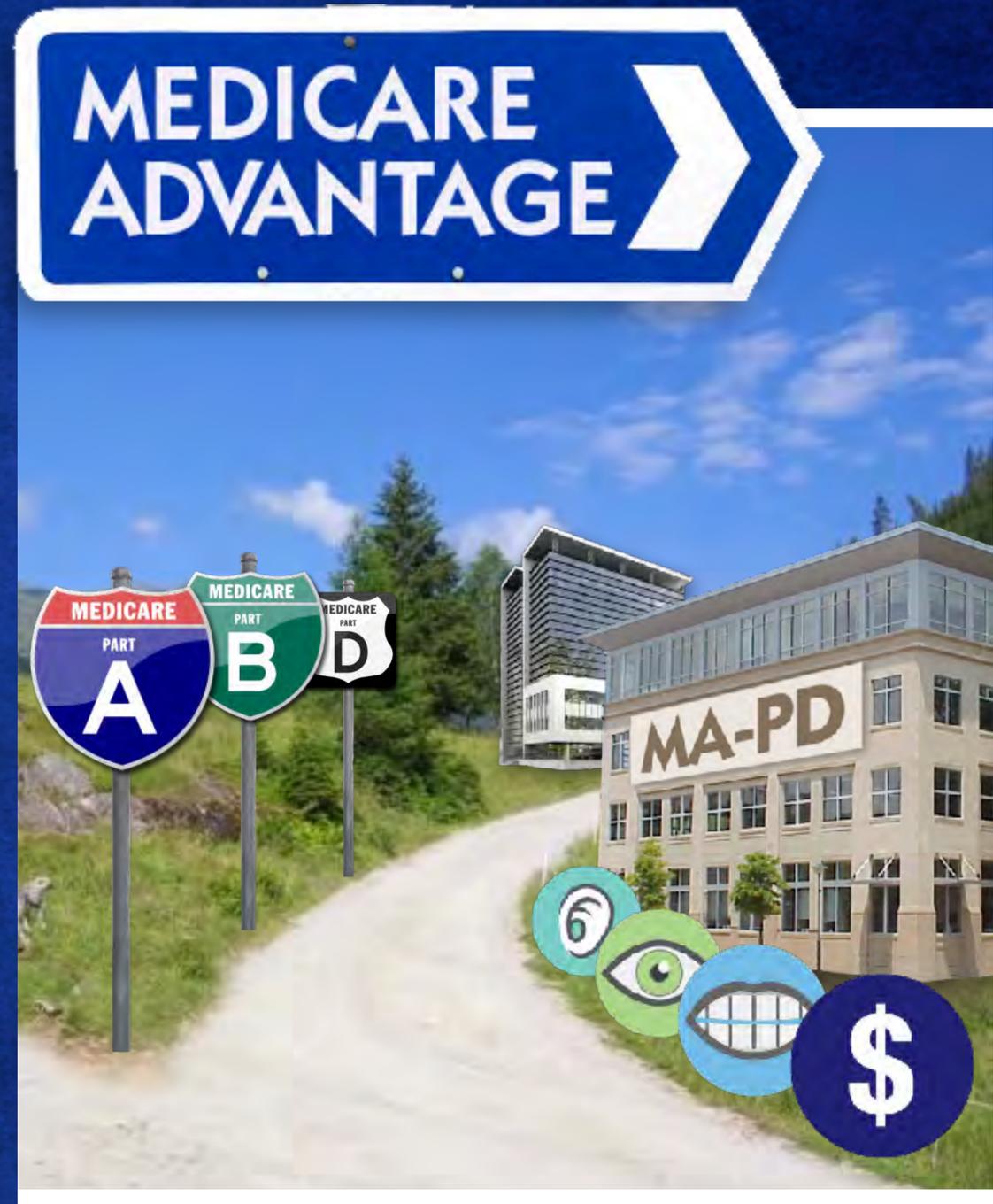
“Don’t take your eye off the ball.”

Remember why any of us have health insurance. It’s for the big things, like cancer, strokes, heart attacks, etc.

Not for a free gym membership.



- Medicare Advantage policies:
 - Must provide Part A and Part B services Can include Part D coverage
 - Very low or no premiums
 - Can add vision, hearing, dental coverage
- Labeled Part C



Hospitals are dropping Medicare Advantage left and right

Jakob Emerson - Updated Monday, October 9th, 2023



Medicare Advantage provides health coverage to more than half of the nation's seniors, but a growing number of hospitals and health systems nationwide are pushing back and dropping the private plans altogether.

Among the most commonly cited reasons are excessive prior authorization denial rates and slow payments from insurers. Some systems have noted that most MA carriers have faced allegations of billing fraud from the federal government and are being probed by lawmakers over their high denial rates.

"It's become a game of delay, deny and not pay," Chris Van Gorder, president and CEO of San Diego-based Scripps Health, told *Becker's*. "Providers are going to have to get out of full-risk capitation because it just doesn't work — we're the bottom of the food chain, and the food chain is not being fed."

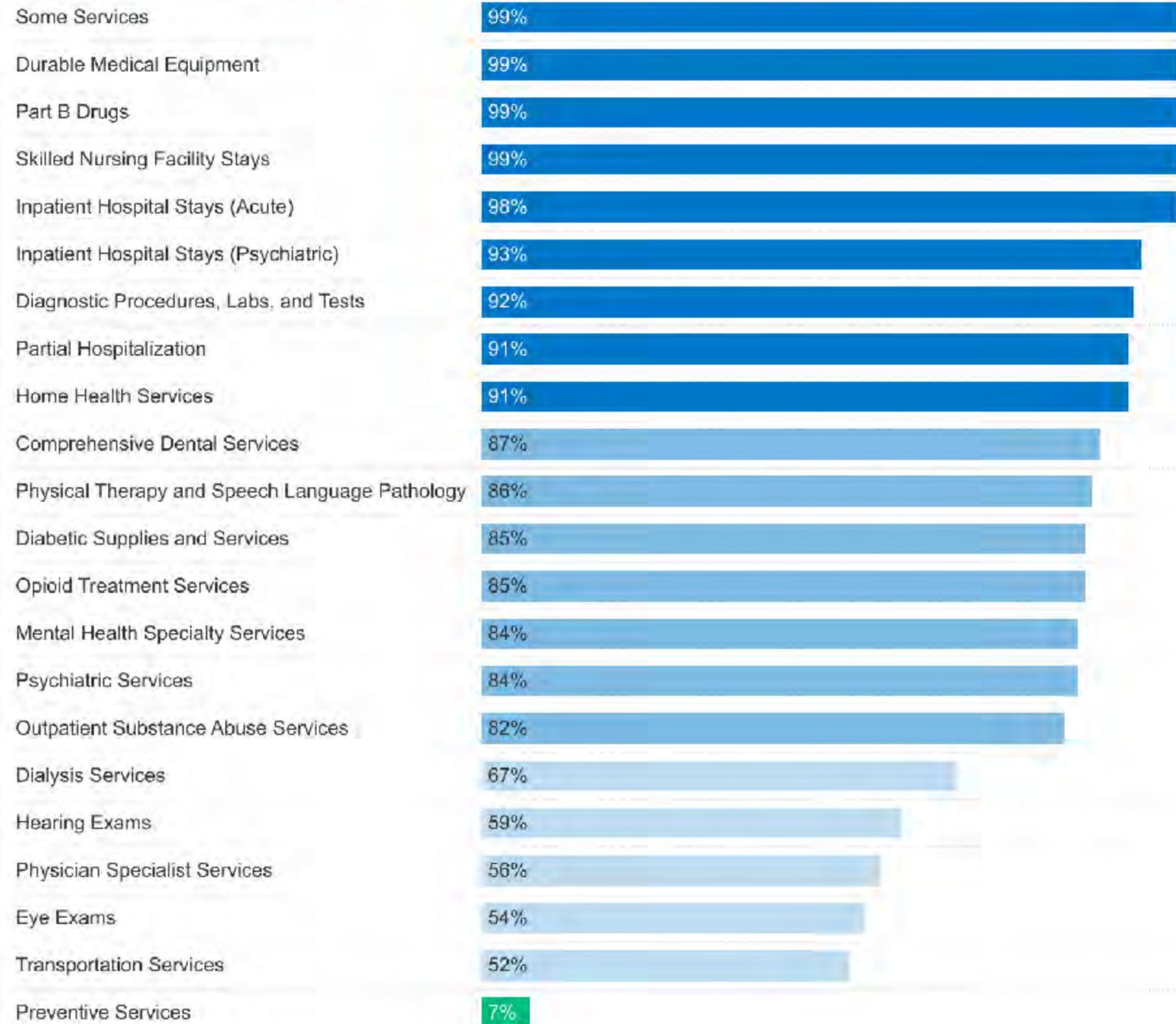
In late September, Scripps began notifying patients that it is terminating Medicare Advantage contracts for its integrated medical groups, a move that will affect more than 30,000 seniors in the region. The medical groups, Scripps Clinic and Scripps Coastal, employ more than 1,000 physicians, including advanced practitioners.

- You must see the insur...
- See p... network at any...
- Subject to prior author...

Figure 6

Share of Medicare Advantage Enrollees Required to Receive Prior Authorization, by Service, 2023

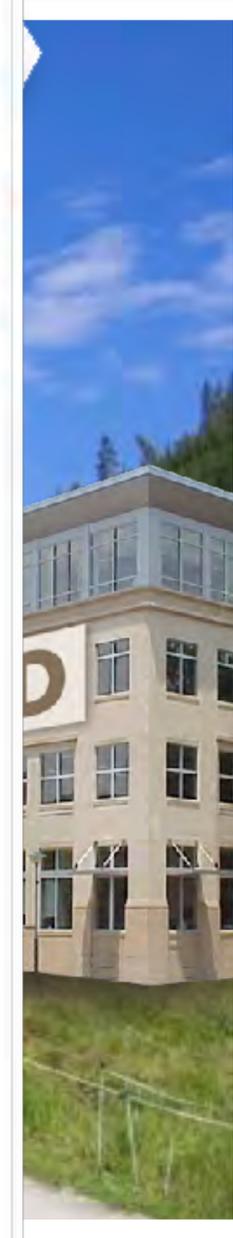
Most enrollees are required to receive prior authorization for the **highest cost services** and fewer enrollees need to receive it for **preventive services**



NOTE: Excludes employer group health plans and special needs plans. Preventive services are Medicare-covered zero-dollar cost-sharing preventive services. For supplemental benefits, including dental, hearing, vision, and transportation, the share of enrollees required to receive prior authorization are based on the enrollees in plans that offer those benefits.

SOURCE: KFF analysis of CMS Medicare Enrollment and Dashboard Files, 2023.

KFF

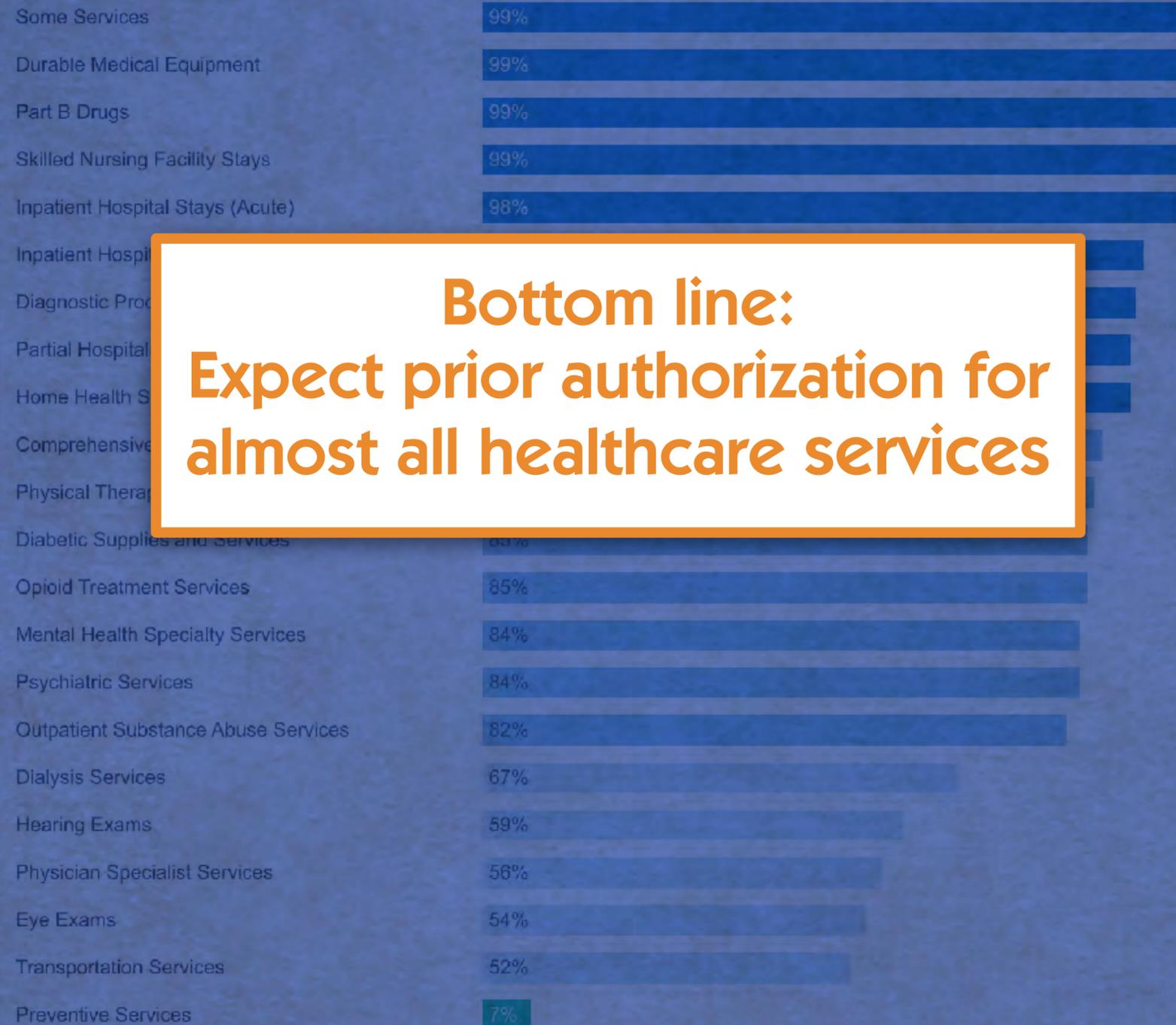


- You must see the insur...
- See p...
- network...
- at any...
- Subject...
- autho...

Figure 6

Share of Medicare Advantage Enrollees Required to Receive Prior Authorization, by Service, 2023

Most enrollees are required to receive prior authorization for the **highest cost services** and fewer enrollees need to receive it for **preventive services**



**Bottom line:
Expect prior authorization for almost all healthcare services**

NOTE: Excludes employer group health plans and special needs plans. Preventive services are Medicare-covered zero-dollar cost-sharing preventive services. For supplemental benefits, including dental, hearing, vision, and transportation, the share of enrollees required to receive prior authorization are based on the enrollees in plans that offer those benefits.
SOURCE: KFF analysis of CMS Medicare Enrollment and Dashboard Files, 2023.

- You must follow the rules of the insurance company:
 - See providers in a network that can change any time
 - Subject to prior authorization rules
 - Must pay deductibles, co-pays up to an out-of-pocket limit:
 - \$8,850 for in-network services
 - \$13,300 for in- and out-of network



- Pay no monthly premiums but then pay every time you use healthcare services
- If you don't follow the rules, you may be responsible for paying the full cost of any healthcare service
- **The spending limit applies only when you follow the rules of the plan**



<i>Parts A & B Costs are Identical on Either Path</i>	
Part A	\$0 As long as you qualify
Part B	\$174.70
MA-PD plan	\$0 – \$100+
Out-of-Pocket Healthcare Costs	? You pay every time you use healthcare services up to the plan limit

Medicare Advantage
TOTAL: \$174.70 – ??
Cost depends on total healthcare needs



In 47 states:



In NY, CT, MA, the “earthquake” never happens.







SESSION 1:
Thank you.

