

# Medicare Basics



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## Hawaii State Health Insurance Assistance Program HAWAII SHIP

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# WELCOME!

## Hawaii SHIP (State Health Insurance Assistance Program)

- Federal program to help individuals with questions about Medicare
- Administered by the State of Hawaii Department of Health, Executive Office on Aging
- Volunteer-based program helping families statewide

# WHAT SERVICES DOES HAWAII SHIP PROVIDE?

## Hawaii SHIP...

- Provides free, local, unbiased Medicare information, assistance, and referrals (Over the phone or in-person)
- Provides free Medicare presentations to the public
- Participates in fairs and exhibits

To request a presentation or counseling assistance:

Oahu Helpline: 808-586-7299

Toll-Free: 1-888-875-9229

SHIP Website: [www.hawaiiiship.org](http://www.hawaiiiship.org)

# WHAT ARE WE GOING TO COVER TODAY?

- Medicare Components (Parts A,B,C,D and Medigap)
- Medicare Options: Original Medicare vs. Medicare Advantage
- Important Medicare Enrollment Periods
- Low-Income Subsidy Programs for Medicare Beneficiaries
- Helpful Resources

# WHAT IS MEDICARE?

## Health insurance for individuals who are:

- Age 65 and older
- Under 65 with certain disabilities
- Any age with End-Stage Renal Disease (ESRD) or Amyotrophic Lateral Sclerosis (ALS) also known as Lou Gehrig's Disease

# WHO PROVIDES MEDICARE?

## Social Security Administration (SSA)

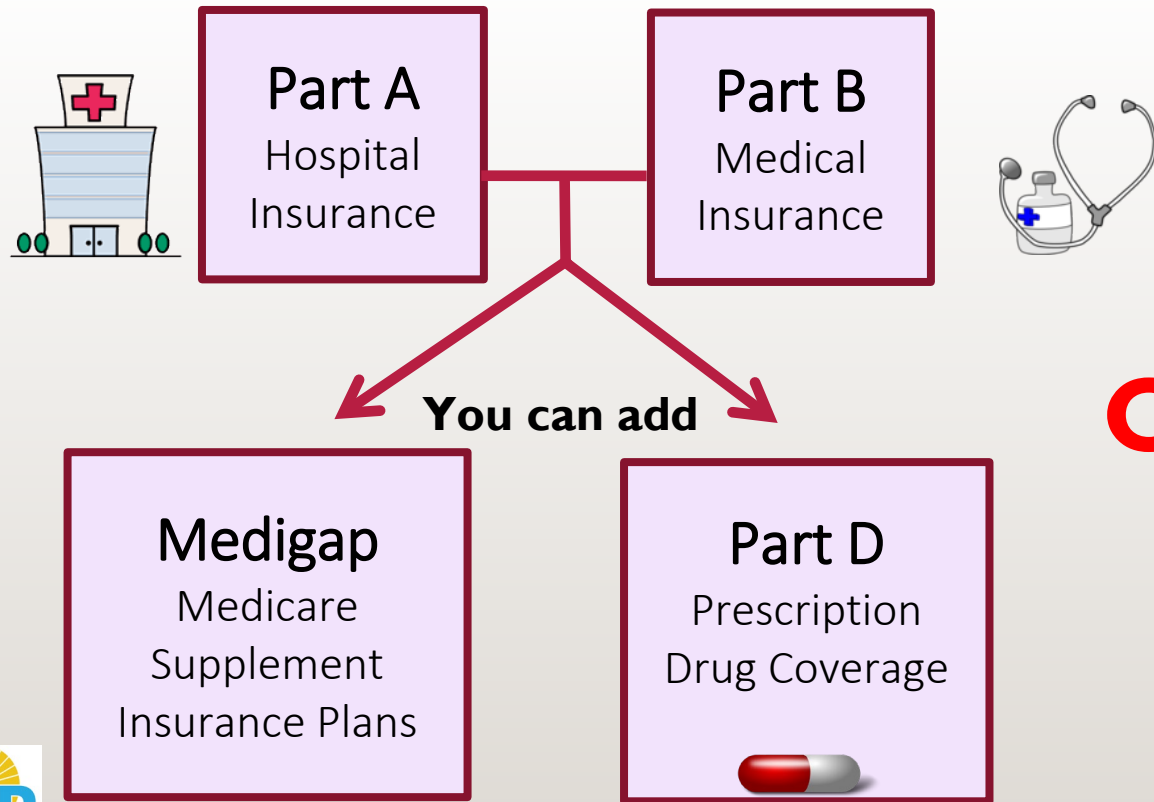
- Enrolls individuals into Medicare Parts A & B
- Collects premiums for Part B (and Part A)
- Administers the Extra Help program

## Centers for Medicare & Medicaid Services (CMS)

- Manages the plan benefits
- Credentials the network of participating providers
- Processes claims

# WHAT ARE MY MEDICARE PLAN CHOICES?

## Original Medicare



**OR**

## Medicare Advantage Plan



**Part C**  
Must have Parts A & B

Most Part C plans have a built-in drug rider to cover prescription drugs

# WHAT IS ORIGINAL MEDICARE ?

## Part A: Inpatient Care

Hospital Coverage

Short-term Skilled Nursing Facility

Home Health Care

Hospice Care

## Part B: Outpatient Care

Doctor's Visits

Outpatient Hospital Services

Lab tests and X-Rays

Durable Medical Equipment

Preventive Services

*Medicare Does NOT Cover Long Term Care*

*Original Medicare does not cover routine exams for dental, hearing, and vision*



# WHAT ARE THE PART A PREMIUMS AND COSTS?

## The premium for Medicare Part A may be FREE if.....

- You or your spouse have worked, paid Social Security taxes in the U.S for 40+ quarters (10 years)
- You are eligible for Medicare due to a disability, End-Stage Renal Disease (ESRD), or Amyotrophic Lateral Sclerosis (ALS) also known as Lou Gehrig's Disease
- Note: Costs for Medicare Part A includes a deductible, copayments, and coinsurance for services

# WHEN SHOULD I SIGN UP FOR PART A ?

- SSA will auto-enroll you into Medicare Parts A and B if you are receiving Social Security benefits
- Medicare is not mandatory, but Part A is premium-free for most people, so you should probably enroll when you turn 65
- If you have not worked for 40+ quarters (10 years), you can still sign up for Part A, but you will have to pay a premium (30-40 Quarters: \$274 /MO 2022 ; Less than 30 Quarters: \$499/ MO 2022)

# WHAT ARE THE PART B PREMIUMS & COSTS?

- The Part B base premium is \$170.10 in 2022
- You may pay a higher adjusted premium for Part B, if your earnings exceed the threshold (in 2022: individual \$91,000 and couple \$182,000)
- The Part B costs include an annual deductible (\$233 in 2022), copayments and coinsurance for services
- Low-income subsidy programs are available to offset Part B costs (MSP)

# HOW DO I PAY FOR MY PART A/B PREMIUMS?

- CAN be deducted from your monthly SS benefits
- CAN be billed monthly, if you are not receiving SS benefits, or prefer to pay bills manually
- CAN create a Medicare.gov account you can now pay your Part A/B premiums online

Your Part A/B premium amount will be determined by Social Security upon enrollment

# WHAT IS PART D?

## Part D: Prescription Drug Coverage

- Stand-alone Drug Plan (Part D) with Original Medicare
- Listed in the Medicare & You Book (pg. 129C-129E)
- Must reside in the service area (no international coverage)
- Each plan has a Formulary or list of covered prescription drugs
- Costs include a monthly premium, annual deductible, copayments and coinsurance
- Can be offset if you qualify for Extra Help through SSA

# SHOULD I ENROLL IN PART D?

## Depends....

- Do you have creditable drug coverage (Equal to or better coverage, i.e. through an employer?)
- Will that employer drug coverage end when you retire?
- How much can you afford to pay for Part D plan premiums?
- Are the prescription drugs you currently take on the plans formulary?
- Note: Enroll when you lose creditable coverage to avoid paying a lifetime late enrollment penalty

# WHAT IS A MEDIGAP PLAN?

## Medigap = Medicare Supplement Insurance Plans

- Sold by private companies
- Coordinates benefits with Original Medicare ONLY
- May cover deductibles, coinsurance, copayments
- All plans with the same letter have the same coverage, but costs may differ by company
- Can keep your plan even if moving out of the service area

Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G	K**	L**	M	N
Part A Coinsurance up to an addition 365 days	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Blood	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Hospice Care Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled Nursing Coinsurance			✓	✓	✓	✓	50%	75%	✓	✓
Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B Deductible			✓		✓					
Part B Excess Charges					✓	✓				
Foreign Travel Emergency (Up to Plan Limits)			✓	✓	✓	✓			✓	✓
*Plan F has a high-deductible plan							<b>Out-of-Pocket Limit**</b>			
*** Plan N pays 100% Part B coinsurance with copay up to \$20/\$50 for emergency room visits not resulting in inpatient							\$4,660	\$2,330		

# WHO SHOULD CONSIDER BUYING A MEDIGAP PLAN?

Individuals with recurring out of pocket expenses due to a serious health condition requiring comprehensive services

OR

Individuals seeking additional coverage for  
Original Medicare Parts A & B



# WHEN IS THE BEST TIME TO BUY A MEDIGAP PLAN?

## Medigap Open Enrollment Period (Guaranteed Issue Right Period)

- When you are 65 years of age AND enrolled in Medicare Part B
- Lasts for 6 months
- Plans cannot deny enrollment, monthly premiums will not be based on age, pre-existing conditions, gender, or your health
- Outside of this 6-month period, you can still buy a Medigap plan but it may cost more and there may be restrictions imposed

# WHAT IS MEDICARE PART C?

Medicare  
Part C

## Part C: Medicare Advantage Plans:

- Private plans approved by Medicare that are as good or better than Original Medicare
- Must have Medicare Parts A & B to enroll in a Part C plan
- Plan benefits and costs differ between plans and differ on each island Medicare & You Book (pg. 124A-124D)
- You must reside in the service area of the plan
- HMO plans require members to stay within the network of participating providers
- PPO plans offer coverage for services from in-network and out of network providers
- Most Part C plans include a built-in prescription drug rider
- Vision, dental, and hearing benefit riders may be available for an additional cost

# HOW DO YOU CHOOSE A MEDICARE ADVANTAGE PLAN?

## Things to consider when choosing a plan...

- How much can I afford to pay for monthly premiums?
- Do my doctors, hospitals, and pharmacies participate?
- Does the plan formulary cover most or all of my prescription drugs?
- Which plan covers the services that I use the most?

# PART C IN HAWAII

## Part C Plans In Hawaii (with Part D coverage)

Insurance Companies	PPO Plans	HMO Plans	Zero Premium Plans	Premium Plans
HMSA	O,H,M,K		O	O,H,M,K
Kaiser		O,H,M		O,H,M
Humana	O,M,K	O,M,K	O,M,K	O,M,K
United Health Care	O,M,K		O	O,M,K
Wellcare by Ohana	O,H,M,K	O,H,M,K	O	O,H,M,K

*124A-124D in the 2022 Medicare & You Handbook*

Oahu: O  
 Hawaii Island: H  
 Maui: M  
 Kauai: K

# ORIGINAL MEDICARE vs MEDICARE ADVANTAGE

## Original Medicare Parts A & B

- Must meet annual deductible first
- No limit on out-of-pocket expenses
- Can add a Medigap supplement plan
- Must add a Part D prescription plan
- No vision, dental, or hearing benefits
- Can see any Medicare provider nationally

## Medicare Advantage Part C

- No Front-end deductibles for A and B services
- Annual maximum out of pocket (MOOP)
- Cannot add a Medigap supplement plan
- Part D prescription drug rider usually included
- May offer Vision, Dental, and Hearing benefits
- When outside plan service area check with PPO plans for in-network providers; HMO coverage is limited to urgent or emergency care
- Generally, provides emergency services in foreign countries

# OTHER RETIREE INSURANCE

## EUTF (STATE, CITY, COUNTY EMPLOYEES/RETIREES):

- Active employees can delay Medicare enrollment
- Retirees are required to enroll into Medicare Parts A and B to retain EUTF coverage
- Part B reimbursement
- 3 plan options (HMSA 90/10, Humana Medicare Advantage, Kaiser Medical plan (all includes PDP, vision, and dental coverage))
- [Hawaii Employer-Union Health Benefits Trust Fund | Pre-Retirees – Training Videos](#)

## FEHB (FEDERAL RETIREEES) :

- Active employees can delay Medicare enrollment
- Retirees have the option to receive Medicare or decline Medicare for FEHB coverage
- If declining Medicare will have a late enrollment penalty if later decides to enroll
- [Healthcare \(opm.gov\)](#)

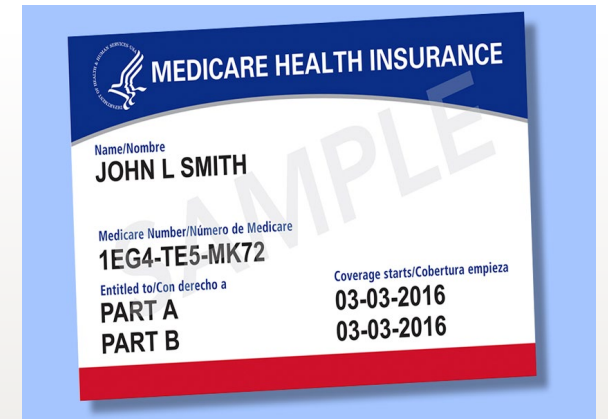
# HOW DO I ENROLL IN MEDICARE?

Enrolling in Medicare is **automatic** if:

- You are receiving Social Security benefits
- You've received disability benefits for 24 months

If you have not begun receiving Social Security benefits, enroll:

- Online at [www.socialsecurity.gov](http://www.socialsecurity.gov) (need to create an account)
- Go in person to your local SSA office
- Call 1-800-772-1213 or call your local Social Security office



# ARE YOU TURNING 65 SOON?

## Initial Enrollment Period (lasts 7 months)

- Begins 3 months before your 65th birthday
- Includes the month you turn 65
- Ends 3 months following your 65<sup>th</sup> birthday
- You will incur a lifetime late enrollment penalty if you delay enrollment
- You can only delay enrollment if you are working and have creditable coverage

## Note:

If your Birthday is on the first of the month...

- Starts 4 months before you turn 65 and ends 2 months after the month you turn 65
- Medicare coverage starts the first day of the month before you turn 65



# WHEN IS THE NEXT TIME I CAN ENROLL AFTER MY INITIAL ENROLLMENT PERIOD?

## Annual General Enrollment Period

- January 1st through March 31st of each year
- Can enroll in Medicare Parts A & B
- Coverage begins on July 1st
- If you lost creditable coverage before enrolling, you will receive a penalty
- Medicare Part B penalty is 10% of the Part B premium (\$170.10 in 2022) for every 12 month period from when you were first eligible to enroll in Medicare

# ARE YOU PLANNING TO RETIRE?

## Special Enrollment Period (SEP)

- You and your spouse qualify for a SEP when you both lose your creditable coverage
  - (Creditable: Equal to or better coverage than Medicare Parts A & B)
- You have **8 months to enroll in Part B** after losing creditable medical coverage
- You have **63 days to enroll in Part D** after losing creditable drug coverage
- Part D penalty: multiply 1% of the "national base beneficiary premium" (\$33.37 in 2022) times the number of full, uncovered months you didn't have Part D or creditable coverage
- If you qualify for a SEP you won't have a late enrollment penalty for Medicare Parts B, D, and A (penalty applies for Part A ONLY if you don't qualify for premium-free Part A)

# WHAT OTHER EVENTS QUALIFY FOR A SEP?

## Other Special Enrollment Periods (SEP)

- You move from one service area to another
- You want to disenroll from a plan due to misleading information or misrepresentation
- Your plan is no longer available in your service area

### Note:

You can enroll into Medicare Part B online under SEP

(<https://secure.ssa.gov/mpboa/medicare-part-b-online-application/>)

# WHEN CAN I MAKE CHANGES TO MY PLAN?

## Annual Open Enrollment Period

- October 15th through December 7th
- Plan changes take effect on January 1st of the following year
- Beneficiaries can make changes to Medicare health and/or drug coverage

### Options:

- Switch from Original Medicare Parts A&B to a Medicare Advantage Plan Part C
- Switch from one Medicare Advantage Plan to another Medicare Advantage Plan
- Switch from a Medicare Advantage Plan Part C to Original Medicare Parts A&B
- Sign up for a Part D Prescription Drug Plan if switching from a Medicare Advantage Plan

Hawaii SHIP offers  
FREE plan  
comparisons

# WHAT IF I'M NOT HAPPY WITH MY NEW MEDICARE ADVANTAGE PLAN?

## Annual Medicare Advantage Open Enrollment Period

- January 1st through March 31st
- Change takes effect the 1<sup>st</sup> of the following month

### Medicare Advantage Plan members can make the following changes:

- Switch from one Medicare Advantage Plan to another Medicare Advantage Plan
- Switch from a Medicare Advantage Plan back to Original Medicare (+ Part D)

# CAN I GET HELP WITH MY PREMIUMS OR DRUG COSTS?

## Medicaid:

- Limited income and assets
- Covers Medicare Parts A & B monthly premiums, including late enrollment penalty for Part A&B and additional benefits
- Coverage is secondary to Medicare
- Contact the Department of Human Services (DHS), Med-QUEST office
- Medicare & FULL Medicaid can choose a special needs Medicare Advantage plan DSNP (Dual Special Needs Plan) for better coordination of care between Medicare and Medicaid coverage

## Medicare Savings Program:

- Limited income and assets
- covers Medicare Parts A & B monthly premiums, including late enrollment penalty for Part A&B
- Contact Med-QUEST

## Extra Help:

- Limited income and assets
- Covers prescription drug plan deductibles, copayments and coinsurance, including late enrollment penalty for Part D
- Contact SSA office

# HELPFUL RESOURCES

- **Medicare.gov:** 1-800-633-4227, [Medicare.gov: the official U.S. government site for Medicare | Medicare](https://www.medicare.gov)
- **Medicare Interactive:** 800-333-4114, [Medicare Interactive](https://www.medicare.gov/interactive)
- **Social Security Administration:** [The United States Social Security Administration \(ssa.gov\)](https://www.ssa.gov)
  - 1-800-772-1213 (SSA national helpline)
- **Senior Medicare Patrol (SMP):** 808-586-7281, [Hawaii Senior Medical Patrol | Fight Medicare Fraud \(smphawaii.org\)](https://www.smphawaii.org)
- **Long Term Care Ombudsman Program:** 808-586-7268, [Hawaii Long-Term Care Ombudsman \(hi-ltc-ombudsman.org\)](https://www.hi-ltc-ombudsman.org)
- **2022 Medicare & You handbook:** request hard copy or [Medicare and You Handbooks \(Multiple Languages\) - Hawaii State Health Insurance Assistance Program \(hawaiiiship.org\)](https://www.hawaiiiship.org)