Medicare 101
Beyond the Red White and Blue
Aging and Long Term Services Department
New Mexico SHIP

SHIP - State Health Insurance Assistance Program

* Federal partnership
* Counseling
* Education
* Outreach

* Free and Unbiased
* People on Medicare
* Family members
* Caregivers
Medicare is health insurance for

1. Adults 65 or older
2. Younger adults with certain disabilities
3. Anyone with End-Stage Renal Disease (ESRD)
Medicare

Enrollment

* Is automatic if you already receive a Social Security check
* Enroll online or at the SSA office

- 3 months before you turn 65
- the month you turn 65
- 3 months after you turn 65
<table>
<thead>
<tr>
<th>If Not Automatically Enrolled Your 7-Month Initial Enrollment Period (IEP)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No Delay</strong></td>
</tr>
<tr>
<td>If you enroll in Part B</td>
</tr>
<tr>
<td>Sign up early to avoid a delay in getting coverage for Part B services. To get Part B coverage the month you turn 65, you must sign up during the first 3 months before the month you turn 65.</td>
</tr>
<tr>
<td>If you wait until the last 4 months of your IEP to sign up for Part B, your start date for coverage will be delayed.</td>
</tr>
</tbody>
</table>
Medicare

Enrollment

* Initial Enrollment Period - 7 months

* General Enrollment Period - January 1 through March 31
  Coverage begins July 1

* Special Enrollment Period – moving, employer coverage ends, entering or leaving a long term care facility.
Medicare Card

- Keep it and accept Medicare Part A and Part B
- Return it to refuse Part B
* Follow instructions on back of card

1. Carry your card with you when you’re away from home.
2. Let your hospital or doctor see your card when you need hospital, medical, or health services under Medicare.
3. Your card is good wherever you live in the United States.

WARNING: Issued only for use of the named beneficiary. Intentional misuse of this card is unlawful and may be punishable by fines, imprisonment, and other penalties. If found, drop in nearest U.S. Mail Box.

Questions about Medicare:
- visit Medicare.gov
- call 1-800-MEDICARE (1-800-633-4227);
  (TTY: 1-877-889-2048)
Parts of Medicare

- Part A: Hospital Insurance
- Part B: Medical Insurance
- Part C: Advantage Plan
- Part D: Prescription Drugs
Medicare

1. Decide how you want coverage

Original Medicare OR Medicare Advantage

Part A (Inpatient) + Part B (Outpatient) + Part C A + B + D

Part D (Prescription)
If you join a Medicare Advantage Plan, you do not need and cannot be sold a Medigap Policy.
Part A

Hospital Insurance - what it covers

1. Inpatient Hospital stay
2. Inpatient skilled nursing facility
3. Blood
4. Home health care
5. Hospice care
Hospital Insurance - what it covers

1. **Inpatient Hospital stay** - Covers everything administered during your stay in the hospital

* once you’ve been admitted:

- semi-private room
- meals
- general nursing equipment
- medication
- supplies
Hospital Insurance - what it covers

2. **Skilled Nursing Facility** - Covers skilled nursing and rehabilitative services and supplies that are medically necessary

- Hospital stay condition: 3 day stay as inpatient
- Admit within 30 days: Ambulance (limited)
Part A

Hospital Insurance - what it covers

3. **Home health care** - Covers medically necessary part-time or intermittent skilled nursing care, physical therapy or speech pathology

   Homebound  Approved agency

   Review every 60 days  DME 20%
Part A

Hospital Insurance - what it covers

4. **Hospice Care** - Covers medical needs when certified as terminally ill

- Recertify 6 months
- Medication for pain
- Respite care
- Medical equipment
- Grief counseling
- Approved agency
Hospital Insurance - what it covers

5. **Blood** – if you need blood while admitted as inpatient

   * Free from blood bank
   * If hospital has to pay
     You pay for first 3 units
     You or someone else can donate to replace
Part A

* Most people don’t pay a premium for Part A
  If you paid Federal Insurance Contributions Act (FICA)
  taxes at least 10 years

If you paid FICA less than 10 years-
* Can pay a premium to get Part A
  * May have a penalty if you don’t enroll when first
    eligible
Part A

Hospitalization Deductible:
- $1364.00 deductible for each benefit period (2019)
- Days 1–60: $0 coinsurance for each benefit period
- Days 61–90: $341.00 coinsurance per day of each benefit period (2019)
- Days 91 and beyond: $682.00 a day for days 91-150 (2019)
- All costs for all days after 150

Skilled Nursing Facility Coinsurance:
- $0 for days 1-20
- $170.50 a day for days 21-100 (2019)
- All costs for all days after 100

Hospice Care
- $0 for Hospice Care
Part B

Medical Insurance – what it covers:

1. Doctor visits
2. Outpatient surgery and supplies
3. Labs – X-rays, MRI, CT scan, EKG
4. Durable Medical equipment
5. Diabetic supplies
6. Preventive services
Part B—(Medical Insurance)
What You Pay in Original Medicare in 2019

✧ $185.00
✧ Coinsurance for Part B Services
✧ 20% coinsurance for most covered services, like doctor’s services and some preventive services, if provider accepts assignment
✧ $0 for some preventive services
✧ 20% coinsurance for outpatient mental health services, and copayments for hospital outpatient services

◊ The standard Part B premium amount in 2019 is $135.50 (or higher depending on your income). However, most people who get Social Security benefits pay less than this amount. This is because the Part B premium increased more than the cost-of-living increase for 2018 Social Security benefits. If you pay your Part B premium through your monthly Social Security benefit, you’ll pay less ($109 on average). Social Security will tell you the exact amount you'll pay for Part B in 2019. You'll pay the standard premium amount if: next slide
What You Pay – 2019
Standard Part B Premium cont...

- *You enroll in Part B for the first time in 2019.
- *You don't get Social Security benefits.
- *You're directly billed for your Part B premiums.
- *You have Medicare and Medicaid, and Medicaid pays your premiums. (Your state will pay the standard premium amount of $135.50.)
- *Your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount. If so, you’ll pay the standard premium amount and an Income Related Monthly Adjustment Amount (IRMAA). IRMAA is an extra charge added to your premium.
Part B

Opt out

* If covered by an employer plan or spouse

* Retiree plans -
  Review guidelines with benefits administrator

* Creditable coverage
Part B

When you cannot opt out

* If you want to buy a Medigap policy
* If you want to enroll in a Medicare Advantage Plan
* If you have or will have TRICARE for Life
* If your employer or retiree plan requires it
Cost continued

* Penalty for late enrollment = premium goes up 10% for each 12 month period; for the life of coverage
Part D

Eligibility
1. Must have Medicare part A and/or B
2. Must live in the service area
3. Join when your first eligible for Medicare

Prescription Drug Insurance - What it covers
1. Lower co-pays for medication
2. Choices of generic or brand name drugs
Part D

Cost

1. Deductible = up to $415.00 (2019)


3. Co-payments/co-insurance = depend on your prescriptions
Part D

Cost

* Penalty for late enrollment = 1% of the national base premium multiplied by each month you’re not enrolled; for the life of coverage

Example: $33.19 \times 1\% = .33 \times 24 = $7.92
Part C

AKA Medicare Advantage Plans

Run by private insurance companies and paid by Medicare

Includes Medicare A, B and usually D

Eligibility

1. You must have Medicare Part A and B to join a Medicare Advantage Plan

2. You must live in the plan’s service area

3. Cannot have ESRD
Part C

Cost

1. Annual deductible = each plan is different

2. Monthly premium = Part B premium + the monthly premium charged by the health plan

3. Co-pays and co-insurance = depends on the plan you choose

*Call your plan for details about the cost on different services*
Part C

What it covers

1. Options for MA Plans:
   - HMO – Health Maintenance Organizations
   - PPO – Preferred Provider Organization
   - PFFS – Private Fee For Service
   - SNP – Special Needs Plan

2. Same services covered under Medicare A and B

3. Plans may include added benefits such as prescription drug coverage, vision, hearing or dental
| Retail Pharmacy Status: Preferred Cost-Sharing | Monthly Premium: $0.00 | Deductibles and Drug Copay/Coinsurance: Annual Drug Deductible: $0 Health Plan Deductible: $0 Drug Copay/Coinsurance: $0 - $95, 33% | Health Benefits: Doctor Choice: Plan Doctors for Most Services Out of Pocket Spending Limit: $4,200 In-network | Drug Coverage, Drug Restrictions and Other Programs: All Your Drugs on Formulary: Yes Drug Restrictions: Yes Lower Your Drug Costs MTM Program: Yes | Estimated Annual Health and Drug Costs: $4,140 | Overall Star Rating: 3.5 out of 5 stars | Enroll |
### Presbyterian MediCare PPO Plan 2 with Rx (PPO) (H3206-001-0)

**Organization:** Presbyterian Insurance Company, Inc.

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimated Annual Drug Costs:</strong></td>
<td>[?]</td>
</tr>
<tr>
<td><strong>Monthly Premium:</strong></td>
<td>[?]</td>
</tr>
<tr>
<td><strong>Deductibles and Drug Copay/Coinsurance:</strong></td>
<td>[?]</td>
</tr>
<tr>
<td><strong>Health Benefits:</strong></td>
<td>[?]</td>
</tr>
<tr>
<td><strong>Drug Coverage, Drug Restrictions</strong> and Other Programs:</td>
<td>[?]</td>
</tr>
<tr>
<td><strong>Estimated Annual Health and Drug Costs:</strong></td>
<td>[?]</td>
</tr>
<tr>
<td><strong>Overall Star Rating:</strong></td>
<td>[?]</td>
</tr>
</tbody>
</table>

#### Retail Pharmacy

- **Drug Cost:** $163.00
- **Drug Deductible:** $72.70
- **Health Deductible:** $90.30
- **Part B Premium Reduction:** No
- **Health Plan Deductible:** $0
- **Drug Copay/Coinsurance:** $4 - $95, 25%
- **Annual Drug Deductible:** $375
- **Doctor Choice:** Any Doctor
- **Out of Pocket Spending Limit:** $10,000
- **In and Out-of-network:** $6,700
- **MTM Program:** Yes
- **All Your Drugs on Formulary:** Yes
- **Drug Restrictions:** No
- **Lower Your Drug Costs:**
- **Enroll Button:**

#### Mail Order

- **Cost as of Today:** $1,573
- **Cost as of Today:** $1,468
- **3 out of 5 stars**
Medigap Policies

AKA Supplemental Insurance

* A Medigap policy can be bought to cover your out of pocket expenses with Original Medicare
* Some policies will pay for your deductibles, co-payments or coinsurance
* Plans are identified by letters
* Sold by private insurance companies
**Plan F** is also offered as a high-deductible plan by some insurance companies in some states. If you choose this option, this means you must pay for Medicare-covered costs (coinsurance, copayments, deductibles) up to the deductible amount of $2,200 in 2017 before your policy pays anything.

**For Plans K and L**, after you meet your out-of-pocket yearly limit and your yearly Part B deductible ($183 in 2017), the Medigap plan pays 100% of covered services for the rest of the calendar year.

***Plan N pays 100% of the Part B coinsurance, except for a copayment of up to $20 for some office visits and up to a $50 copayment for emergency room visits that don’t result in an inpatient admission.***

<table>
<thead>
<tr>
<th>Benefits</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>F*</th>
<th>G</th>
<th>K</th>
<th>L</th>
<th>M</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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<td>100%</td>
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</tr>
<tr>
<td>Medicare Part B coinsurance or copayment</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>50%</td>
<td>75%</td>
<td>100%</td>
<td>100%***</td>
<td></td>
</tr>
<tr>
<td>Blood (first 3 pints)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>50%</td>
<td>75%</td>
<td>100%</td>
<td>100%</td>
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</tr>
<tr>
<td>Part A hospice care coinsurance or copayment</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>50%</td>
<td>75%</td>
<td>100%</td>
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<tr>
<td>Skilled nursing facility care coinsurance</td>
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<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>50%</td>
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<tr>
<td>Part A deductible</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>75%</td>
<td>100%</td>
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<tr>
<td>Part B deductible</td>
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<td>100%</td>
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<tr>
<td>Part B excess charges</td>
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<td></td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Foreign travel emergency (up to plan limits)</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td></td>
<td></td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td><strong>Out-of-Pocket Limit in 2017</strong></td>
<td></td>
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<tr>
<td></td>
<td>$5,120</td>
<td>$2,560</td>
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</tbody>
</table>
The following Medigap Policies are available in ZIP Code 87113:

View All Medigap Policies | Medigap Policies Available to People under Age 65

<table>
<thead>
<tr>
<th>Policy Summary</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medigap Policy A</strong></td>
<td></td>
</tr>
<tr>
<td>Monthly Premium: $58 - $200</td>
<td>Estimated Annual Cost: $8,100.00</td>
</tr>
<tr>
<td></td>
<td>✓ Basic Benefits</td>
</tr>
<tr>
<td></td>
<td>X Part A Deductible</td>
</tr>
<tr>
<td></td>
<td>X Foreign Travel Emergency</td>
</tr>
<tr>
<td></td>
<td>View companies that offer Medigap Policy A</td>
</tr>
</tbody>
</table>

| **Medigap Policy B** | |
| Monthly Premium: $86 - $227 | Estimated Annual Cost: $8,230.00 |
| ✓ Basic Benefits | X Skilled Nursing Facilities |
| X Part A Deductible | X Part B Deductible | X Part B Excess Charges |
| X Foreign Travel Emergency | X Preventive Services |
| View companies that offer Medigap Policy B | View All Benefits |

| **Medigap Policy C** | |
| Monthly Premium: $98 - $258 | Estimated Annual Cost: $8,260.00 |
| ✓ Basic Benefits | X Skilled Nursing Facilities |
| ✓ Part A Deductible | X Part B Deductible | X Part B Excess Charges |
| ✓ Foreign Travel Emergency | X Preventive Services |
| View companies that offer Medigap Policy C | View All Benefits |

| **Medigap Policy D** | |
| Monthly Premium: $91 - $192 | Estimated Annual Cost: $8,110.00 |
| ✓ Basic Benefits | X Skilled Nursing Facilities |
| ✓ Part A Deductible | X Part B Deductible | X Part B Excess Charges |
| ✓ Foreign Travel Emergency | X Preventive Services |
| View companies that offer Medigap Policy D | View All Benefits |
Find a Medigap Policy in Your Area

ZIP Code: 87113

Choose a different ZIP Code

Health Status (Optional): None of the above.

Do you have a Medigap (Medicare Supplement Insurance) Policy?

- [ ] Yes
- [x] No

Continue
### American Continental Insurance Company

**Company Information**

(800) 924-4727  
101 Continental Place  
Brentwood, TN 37027  

**Pricing Method ("Rating")**

Information Not Available

### American Republic Corp. Ins.

**Company Information**

(800) 247-2190  
11808 Grant Street  
Omaha, NE 68164  
[www.americanenterprise.com](http://www.americanenterprise.com)

**Pricing Method ("Rating")**

Information Not Available

### Bankers Fidelity Life Insurance Co

**Company Information**

(866) 458-7505  
4370 Peachtree Road NE  
Atlanta, GA 30319  
[www.bflc.com](http://www.bflc.com)

**Pricing Method ("Rating")**

Issue-Age-Rated

### Blue Cross Blue Shield of New Mexico

**Company Information**

**Pricing Method ("Rating")**

Information Not Available
How Are Medigap Policies and Medicare Advantage Plans Different?

<table>
<thead>
<tr>
<th></th>
<th>Medigap (Medicare Supplement Insurance) Policies</th>
<th>Medicare Advantage Plans (Part C)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Offered by</strong></td>
<td>Private companies</td>
<td>Private companies</td>
</tr>
<tr>
<td><strong>Government Oversight</strong></td>
<td>State, but must also follow federal laws</td>
<td>Federal (plans must be approved by Medicare)</td>
</tr>
<tr>
<td><strong>Works with</strong></td>
<td>Original Medicare</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Covers</strong></td>
<td>Gaps in Original Medicare coverage, like deductibles, coinsurance, and copayments for Medicare-covered services.</td>
<td>All Part A and Part B covered services and supplies. May also cover things not covered by Original Medicare, like vision and dental coverage. Most plans include Medicare prescription drug coverage.</td>
</tr>
<tr>
<td><strong>You must have</strong></td>
<td>Part A and Part B</td>
<td>Part A and Part B</td>
</tr>
<tr>
<td><strong>Do you pay a premium</strong></td>
<td>Yes. You pay a premium for the policy and you pay the Part B premium.</td>
<td>Yes. You pay a premium for the plan and you pay the Part B premium.</td>
</tr>
</tbody>
</table>
Questions

Call the ADRC for confidential one-on-one counseling

1-800-432-2080