

Module 1-Program Basics

1. Module 1: Overview Medicare Program Basics

1.1 Overview: Medicare Program Basics



1.2 Navigation Instructions

Navigation Instructions

- The "PREV" and "NEXT" buttons at the bottom of each page will take you backwards and forward through the course one page at a time.
- Please note: Students are required to view each slide. Users can view the current slide and any slide they previously viewed but will be unable to skip and or jump ahead within the menu.
- Click the menu icon (☰) to expand and or collapse the table of contents.
- You may download content material by clicking on "Download Slides" located on the left hand side under "Download Content Materials".

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1.4 LEARNING OBJECTIVES

LEARNING OBJECTIVES




- 01** The different ways to get Medicare
- 02** Entitlement to/Enrollment in Original Medicare
- 03** Medicare premiums
- 04** Eligibility for Medicare Advantage and prescription drug plans

- 05** Help for beneficiaries with limited income
- 06** Original Medicare benefits and beneficiary protections
- 07** Combining Original Medicare and Part D
- 08** Medigap Coverage

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1.5 Training Roadmap: Part 1

A graphic showing a winding road with four location pins in yellow, green, blue, and red. A purple banner at the top left of the road contains the text "Training Roadmap: Part 1".

Training Roadmap: Part 1

- Medicare Program Basics
- New Medicare Identification Cards
- Different Ways to Get Medicare
- Medigap Coverage: An Introduction
- Original Medicare Entitlement, Enrollment, Premiums & Eligibility
- Help for Individuals with Limited Income
- Original Medicare Benefits
- Original Medicare and Part D
- Original Medicare Beneficiary Protections
- Medigap Coverage: A Closer Look

The AHIP logo, featuring the letters "AHIP" in a bold, sans-serif font with a stylized starburst graphic above the "P".

1.6 Medicare Program Basics

Medicare Program Basics

Medicare is a health benefits program for U.S. citizens or permanent residents who meet certain work history requirements:

- Age 65 or older
- Under age 65 with certain disabilities
 - All who get disability benefits from Social Security or certain disability benefits from the Railroad Retirement Board for 24 months
 - Individuals with Amyotrophic Lateral Sclerosis (ALS), often referred to as Lou Gehrig's Disease
 - Individuals with end-stage renal disease (ESRD)



History – Medicare was signed into law in 1965. A brief history of Medicare is available at <http://www.cms.gov/History/>

Medicare is administered by the Centers for Medicare & Medicaid Services, an agency of the U.S. Department of Health and Human Services

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1.7 New Medicare Identification Cards

New Medicare Identification Cards

- Every Medicare beneficiary receives a Medicare identification card.
- During 2019, Medicare will stop using Social Security numbers for identification.
- The change is intended to protect beneficiaries from identity theft.
- All beneficiaries should have received new cards.
- Beneficiaries need to bring their new cards whenever they get care.
- Beneficiaries should destroy their old Medicare cards after they receive their new cards. However, they need to keep any Part D cards, Medicare Advantage membership cards or Medigap coverage cards.
- If a beneficiary cannot find his/her new Medicare card, the beneficiary should call 1-800-MEDICARE to get a replacement. Beneficiaries can only use the old card to get health care services until January 1, 2020.



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1.8 Medicare Law -- Title XVIII of the Social Security Act (Parts A, B, C, D, & E)

Medicare Law -- Title XVIII of the Social Security Act (Parts A, B, C, D, & E)

- Medicare statutes are found under Title XVIII of the Social Security Act: “Health Insurance for the Aged and Disabled.”

Title XVIII is split by topic into several subsections:

- Part A - Hospital Insurance Benefits, which also includes coverage for skilled nursing facilities, rehabilitation facilities, and hospice
- Part B - Supplementary Medical Insurance Benefits, which includes a broad range of outpatient services such as physician care
- Part C - Medicare Advantage plans, which must cover Part A and Part B benefits
- Part D - Prescription drug coverage
- Part E - Miscellaneous Provisions, including Medigap coverage and Medicare cost plans



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1.9 Overview of Different Ways to Get Medicare

Overview of Different Ways to Get Medicare

- Original Medicare (Part A and Part B)
- Medicare Advantage Plans (Medicare Part C, with or without Part D)
- Medicare Cost Plans
- PACE Plans
- Medicare-Medicaid Plans
- Medicare Prescription Drug Plans (Medicare Part D)
- Original Medicare with Medigap



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1.10 Overview of Different Ways to Get Medicare - Examples

Overview of Different Ways to Get Medicare - Examples

- Mr. Jones has Original Medicare. He has purchased a Medigap plan to cover some of the Medicare cost sharing and a stand-alone prescription drug plan to cover his drugs.
- Mrs. Hernandez has purchased a Medicare Advantage plan that includes Part D coverage to cover her Medicare benefits, drugs benefits and some of the Medicare cost sharing.
- Mr. Watanabe receives both Medicare and Medicaid benefits. He has enrolled in a single Medicare-Medicaid plan that furnishes both Medicare and Medicaid services for him.
- Ms. Krauss has purchased a Medicare Advantage plan without Part D coverage because she has a generous drug plan that is offered by her former employer.



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1.11 Different Ways to Get Medicare: Original Medicare

Different Ways to Get Medicare: Original Medicare

- Original Medicare (has two Parts - Part A and Part B)
 - Part A - Hospital, skilled nursing facility, hospice, and home health services
 - Part B -Outpatient and professional services such as those provided by a doctor or non-physician professional, clinical lab services, durable medical equipment, preventive services, and other medical services



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1.12 Different Ways to Get Medicare, continued: Medicare Advantage Plans-Part C

Different Ways to Get Medicare, continued: Medicare Advantage Plans-Part C

- Part C - Medicare Advantage Plans (Medicare Advantage plans must cover all Part A and Part B services)
 - Health Maintenance Organizations (HMOs) (some plans also include Part D)
 - Preferred Provider Organizations (PPOs) (some plans also include Part D)
 - Private Fee-for-Service Plans (PFFS) (some PFFS plans may offer Part D, however, PFFS plans are not obligated to offer Part D)
 - Special Needs Plans (SNPs) (all plans include Part D)
 - Medical Savings Account Plans (MSAs) (do not include Part D)
 - Employer or Union Group Plans



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1.13 Part C Medicare Health Plans

Part C Medicare Health Plans

- All Medicare Advantage (MA) plans must:
 - Cover all Part A and Part B benefits;
 - Provide plan cost-sharing actuarially equivalent to cost sharing under Medicare Parts A and B, but may be different for specific services;
 - Include an annual maximum out-of-pocket (MOOP) limit on total enrollee cost sharing (deductibles, coinsurance, and copayments) for Part A and Part B services
 - Original Medicare does not have a maximum out-of-pocket limit.
 - Cover the following services even when provided by non-network providers:
 - emergency services;
 - out-of-area (and in limited circumstances, in-area) urgently needed services; and
 - out-of-area renal dialysis.

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1.14 Part C Medicare Health Plans, continued

Part C Medicare Health Plans, continued

Extra Benefits-Medicare health plans also may cover extra benefits not covered by Original Medicare, such as:

- Vision Services
- Hearing Aids
- Routine Dental Services and/or Dentures
- Routine Transportation to Medical Appointments
- Chiropractic Services
- Annual Physical Exams*
- In-Home Safety Assessments and fall prevention devices
- Worldwide Urgently Needed and Emergency Services.
- Over the Counter Drugs



* An annual physical is different from the annual wellness visit covered under Medicare, which does not include a physical exam.

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1.15 Different Ways to Get Medicare, continued

Different Ways to Get Medicare, continued

Other types of Medicare Health Plans:

- Medicare Cost Plans (some also include Part D)
- PACE Plans (includes Part D)
- Medicare-Medicaid Plans (includes Part D)



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1.16 Different Ways to Get Medicare, continued: Medicare Cost Plans

Different Ways to Get Medicare, continued: Medicare Cost Plans

Medicare Cost Plans (a type of Medicare health plan) are not a part of the Medicare Advantage Plans. Medicare Cost Plans are not Original Medicare and are only available in certain areas of the country.

- Individuals must have at least Part B to enroll. They may enroll if they do not have Part A.
- If cost plan enrollees go to a non-network provider, the services are covered under their Original Medicare benefits. In these cases, enrollees pay the higher Part A and/or Part B coinsurance and deductibles that apply under Original Medicare rather than their cost plan coinsurance and deductibles.
- Individuals can join anytime the plan is accepting new members. Different enrollment/disenrollment periods apply to Medicare cost plans than to Medicare Advantage or Original Medicare.
- Enrollees can leave anytime and return to Original Medicare.
- Enrollees can get prescription drug coverage from the plan (if offered) or join a Medicare Prescription Drug Plan (Part D). However, Part D enrollment periods apply to any benefit changes.

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1.17 Different Ways to Get Medicare, continued: PACE Plans

Different Ways to Get Medicare, continued: PACE Plans

Programs for All-Inclusive Care for the Elderly (PACE) is a Medicare and Medicaid program offered in many states that allows people who otherwise need a nursing home level of care to remain in the community. To qualify an individual must meet these conditions:

- Be age 55 or older,
- Live in the service area of a PACE organization,
- Be certified by the state as needing a nursing home level of care, and
- At the time the individual joins, he or she can live safely in the community with the help of PACE services.



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1.18 Different Ways to Get Medicare, continued: Medicare-Medicaid Plans

Different Ways to Get Medicare, continued: Medicare-Medicaid Plans

- Medicare-Medicaid Plans serve individuals eligible for both Medicare and Medicaid.
- The individuals are sometimes referred to as dual-eligibles.
- Medicare-Medicaid Plans include Part D Prescription Drug coverage.



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1.19 Different Ways to Get Medicare, continued: Part D

Different Ways to Get Medicare, continued: Part D

Part D - Prescription Drug Coverage

- Stand-alone Prescription Drug Plan (PDP) or
- Coverage under a Medicare health plan

Example: Mr. Ing decides to obtain stand-alone Part D coverage to use with his Original Medicare instead of enrolling in a Medicare Advantage plan that offers Part D coverage. If Mr. Ing decides to enroll in a Medicare Advantage HMO or PPO plan, he can only receive Part D coverage from the Medicare Advantage plan.



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1.20 Medigap (Medicare Supplement Insurance)

Medigap (Medicare Supplement Insurance)

Medigap insurance:

- Is sold by private insurance companies to fill “gaps” in Original Medicare coverage;
- Works only with Original Medicare;
- Covers all, or a portion, of Part A and Part B cost sharing (coinsurance, copayments, or deductibles) for beneficiaries in Original Medicare.
- Does not cover Medicare benefits, but works in tandem with Original Medicare coverage.
- Some Medigap policies cover benefits not covered by Part A or Part B of Original Medicare, such as extra days of coverage for inpatient hospital care or foreign travel emergency care.



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1.22 Entitlement to/Enrollment in Original Medicare, Premiums, & Eligibility

Entitlement to/Enrollment in Original Medicare, Premiums, & Eligibility

Medicare Enrollment Form

1a. INSURED'S I.D. NUMBER

4. INSURED'S NAME (Last Name, First Name, Middle Initial)

7. INSURED'S ADDRESS (No., Street)

11. INSURED'S POLICY GROUP OR FECA NUMBER

14. INSURED'S DATE OF BIRTH

15. EMPLOYER'S NAME OR SCHOOL NAME

16. HEALTH PLAN NAME OR PROGRAM

1. PATIENT'S NAME (Last Name, First Name, Middle Initial)

2. PATIENT'S SOCIAL SECURITY NUMBER (SSN)

3. PATIENT'S BIRTH DATE (MM/DD/YY)

5. PATIENT'S SEX (M/F)

6. PATIENT RELATIONSHIP TO INSURED (Self, Spouse, Child, Other)

8. PATIENT STATUS (Single, Married, Other)

9. PATIENT'S EMPLOYMENT STATUS (Employed, Full-Time Student, Part-Time Student)

10. IS PATIENT'S CONDITION RELATED TO PREVIOUS EMPLOYMENT? (YES/NO)

12. INSURED'S CITY

13. INSURED'S ZIP CODE

17. INSURED'S TELEPHONE (INCLUDE AREA CODE)

18. INSURED'S STATE

19. INSURED'S POLICY GROUP OR FECA NUMBER

20. INSURED'S DATE OF BIRTH

21. EMPLOYER'S NAME OR SCHOOL NAME

22. HEALTH PLAN NAME OR PROGRAM

1.23 Medicare Entitlement/Enrollment – Part A and B

Medicare Entitlement/Enrollment – Part A and B

Some people are automatically enrolled in Parts A and B:

- Individuals who are already getting benefits from Social Security or the Railroad Retirement Board (RRB) will automatically be enrolled in Part A and Part B starting the first day of the month they turn 65. (If their birthday is on the first day of the month, Part A and Part B will start the first day of the prior month.) These individuals are also given the opportunity to refuse Part B coverage. (See Medicare Part B for the potential consequences of refusing Part B).
- Individuals with disabilities who are under age 65 are automatically enrolled in Parts A and B the month after they have received Social Security or Railroad Retirement disability benefits for 24 months. They also are given an opportunity to refuse Part B coverage. [Note: Disabled individuals who live in Puerto Rico automatically get Part A after 24 months but need to sign up for Part B if they want it.]
- Individuals with ALS (Amyotrophic Lateral Sclerosis, also called Lou Gehrig's disease) get Part A and Part B automatically the month their Social Security disability benefits begin.



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1.24 Medicare Entitlement/Enrollment – Part A and B

Medicare Entitlement/Enrollment – Part A and B

Other individuals will have to sign up if they want to be enrolled in Parts A and/or B.

- Individuals who are close to 65 but are not getting benefits from Social Security or the Railroad Retirement Board (RRB) may sign up for Parts A and B during their **initial enrollment period**, which begins 3 months before their 65th birthday, includes the month they turn 65 and ends 3 months after. (See Medicare Part B for the potential consequences of failing to sign up for Part B when first eligible).
- Individuals with end-stage renal disease (ESRD) may sign up for Medicare at any time. However, the date on which their Medicare coverage begins is usually on the fourth month after dialysis treatments begin but maybe earlier if certain conditions are met.



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1.25 Enrollment in Parts and A and B After the Initial Enrollment Period

Enrollment in Parts and A and B After the Initial Enrollment Period

- Individuals who do not enroll in Part B (or Part A if they have to buy it) when they are first eligible, can enroll during a **General Enrollment Period** each year from January 1 - March 31.
 - Coverage begins on July 1 of the year they enroll.
- Individuals who have group health plan coverage based on their own current employment or the employment of a spouse may enroll in Part A (if they have to buy it) and/or Part B anytime while covered under the group health plan or during a **Special Enrollment Period** that occurs during the 8-month period immediately following the last month of the group coverage.

ENROLLMENT



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1.26 Medicare Premiums - Part A

Medicare Premiums - Part A

- Most individuals get Part A coverage without having to pay a Part A premium. This is because they or a spouse paid Medicare taxes while working for a specified duration of time. This duration is generally 40 quarters (10 years).
- For those individuals who do not automatically qualify for premium-free Part A coverage, the monthly Part A premium in 2019 is:
 - \$437, for individuals or their spouses who paid Medicare taxes for less than 30 quarters.
 - \$240, for individuals or their spouses who paid Medicare taxes for 30-39 quarters.
- Individuals with low incomes may be eligible for the Qualified Medicare Beneficiary (QMB) program, which pays for their Medicare Part A and B premiums and other Medicare costs. Individuals who don't buy Part A when they are first eligible may pay a late penalty of up to 10% unless they enroll during a special enrollment period. (They will have to pay the higher premium for twice the number of years they could have had Part A, but didn't sign up.)



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1.27 Medicare Premiums for Part B

Medicare Premiums for Part B

Beneficiaries enrolled in Part B must pay a monthly premium.

- In 2019, the standard monthly premium for Part B is \$135.50 (or higher depending on income). However, some people who get Social Security benefits pay less than this amount and, as previously noted, individuals with low incomes may be eligible for the Qualified Medicare Beneficiary (QMB) program, which pays for their Medicare Part A and B premiums and other Medicare costs.
- Those who pay the standard monthly premium include individuals who:
 - enroll in Part B for the first time in 2019;
 - don't get Social Security benefits; or
 - are directly billed for Part B premiums (e.g. do not have it taken out of their Social Security check).
- Individuals who have a modified adjusted gross income on their IRS tax return from 2 years ago above a certain amount pay more.



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1.28 Medicare Premiums for Part B, continued

Medicare Premiums for Part B, continued

- Individuals with income in 2017 over \$85,000, or filing jointly with incomes over \$170,000, pay more in 2019, up to \$460.50 a month, based on the income-related monthly adjustment amount (IRMAA).

Individual tax return	Joint tax return	2019 Part B premium
< \$85,000	<\$170,000	\$135.50
>\$85,000 to \$107,000>	>\$170,000 to \$214,000	\$189.60
>\$107,000 to \$133,500	>\$214,000 to \$267,000	\$270.90
>\$133,500 to \$160,000	>\$267,000 to \$320,000	\$352.20
>\$160,000 to \$500,000	>\$320,000 to \$750,000	\$433.40
= or > \$500,000	= or > \$750,000	\$460.50

* There are separate standards for beneficiaries who are married and lived with their spouses at any time during the year, but who file separate tax returns from their spouses

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1.29 Medicare Premiums for Part B, continued

Medicare Premiums for Part B, continued

- Part B premiums may be deducted from Social Security checks, Railroad Retirement checks or Office of Personnel Management (civil service annuity) checks.
- Employers may pay monthly Part B premiums on behalf of retirees.
- For individuals who do not enroll in Part B when first eligible, the Part B premium is increased 10% for each full 12-month period the beneficiary could have had Part B but, did not enroll. This is known as a “late enrollment penalty.”



Exception: Individuals who have group health plan coverage based on their own current employment or the employment of a spouse are not subject to the premium increase if they enroll in Part B anytime while covered under the group health plan or during the special enrollment period that occurs during the 8-month period immediately following the last month of the group coverage.

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1.30 Medicare Premiums for Part B, continued

Medicare Premiums for Part B, continued

Example: Ms. Stein retires from her job when she is 69. She did not previously enroll in Part B because she had employer group coverage. Her last month of group coverage is in February. She has until October to enroll in Medicare Part B without incurring a late enrollment penalty.

Example: Mr. O'Hare, who is 70 and does not have Part B, is retired, but he has health coverage through his wife's current employer. If Mr. O'Hare decides to get Part B now he can do so without incurring a late enrollment penalty.



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1.31 Medicare Eligibility - Part C/Part D

Medicare Eligibility - Part C/Part D

Part C Medicare Advantage Health Plan

- Individuals who are entitled to benefits under Part A and enrolled under Part B are eligible to enroll in a Medicare Advantage plan.

Part D Prescription Drug Benefits

- Individuals who are entitled to benefits under Part A but are not enrolled in Part B,
- Individuals who are enrolled in Part B but are not entitled to Part A, and
- Individuals who are entitled to benefits under Part A and enrolled in Part B are eligible for Part D prescription drug benefits.



Example: Ms. Gray did not have the required work history to automatically get Part A without a premium. She has chosen not to enroll in Part A but has enrolled in Part B. Ms. Gray is not eligible to enroll in a Medicare Advantage plan, but she can get Part D.

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1.33 Help for Individuals with Limited Income



1.34 Help for Individuals with Limited Income/Resources-Apply to State Medicaid Office

Help for Individuals with Limited Income/Resources-Apply to State Medicaid Office

- Beneficiaries with limited income and resources should be encouraged to apply to their State Medicaid office to determine eligibility for various (Federal or State) programs.
- Beneficiaries may qualify for help to pay the Medicare Part A (if any) and Part B premium, the Part A and Part B deductibles and cost-sharing, and/or some Part D prescription drug costs.
- Tell them to call or visit their Medicaid office, and ask for information on Medicare Savings Programs. To get the phone number for the state, visit Medicare.gov/contacts or call 1-800-MEDICARE (1-800-633-4227) or contact the State Health Insurance Assistance Program (SHIP).



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1.35 Help for Individuals with Limited Income/Resources-Apply to State Medicaid Office, continued

Help for Individuals with Limited Income/Resources-Apply to State Medicaid Office, continued

Beneficiaries may qualify for these programs by applying to the State Medicaid office.

- Medicaid: help with health care costs.
- Medicare Savings Program: help paying for the Medicare Part A and Part B premiums and, in some cases, deductibles and coinsurance. The “Qualified Medicare Beneficiary” program is one type of Medicare Savings Program. Qualified Medicare Beneficiaries enrolled in Medicare Advantage plans also get help with their Medicare Advantage cost-sharing amounts.
- Part D low-income subsidy (also known as “Extra Help”): help to pay for prescription drug coverage. The State Medicaid office will check eligibility for this and other programs such as the Medicare Savings Program. Persons interested in Part D help only may call the Social Security Administration (SSA) at 1-800-772-1213 or apply online at www.ssa.gov/prescriptionhelp. Extra Help isn’t available in Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, or American Samoa.
- Persons who do not qualify for the Part D low-income subsidy but are of limited means may qualify for help in paying Part D drug costs through a State’s Pharmaceutical Assistance Program.
- Supplemental Security Income (SSI) benefits: help with cash for basic needs. You also may apply through SSA.

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1.37 Original Medicare Benefits



1.38 Medicare Part A Benefits

Medicare Part A Benefits

Part A helps cover medically necessary inpatient care in hospitals. In 2019, beneficiaries pay:

- \$1,364 deductible for each benefit period (as defined by Medicare).
- Days 1-60: \$0 coinsurance for each benefit period.
- Days 61-90: \$341 coinsurance per day of each benefit period.
- Days 91 and beyond: \$682 coinsurance per each "lifetime reserve day" after day 90 for each benefit period (up to 60 days over a beneficiary's lifetime).
- Beyond lifetime reserve days: all costs.



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1.39 Medicare Part A Benefits, continued

Medicare Part A Benefits, continued

Part A also helps cover:

- Blood
- Hospice care
- Home health care
- Skilled nursing and rehabilitative care only after a three-day hospital stay, up to 100 days in a benefit period (as defined by Medicare). In 2019, beneficiaries pay \$170.50 coinsurance for days 21-100 each benefit period. (Medicare Advantage Plans may waive the prior three-day hospital stay requirement.)
- Inpatient psychiatric care (up to 190 lifetime days)
- Part A does not cover custodial or long-term care
- Cost-sharing may differ for enrollees of Medicare health plans.



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1.40 Medicare Part B Benefits

Medicare Part B Benefits

Part B generally covers:

- medically necessary physician and other health care professional services;
- outpatient hospital;
- clinical lab and diagnostic tests, therapies, mental health care;
- medical equipment; and
- medications and supplies provided incident to a physician's service.
- Beneficiaries pay a deductible each year (\$185 in 2019), and after the deductible is satisfied, 20% coinsurance on most Part B covered services.
- Cost-sharing may differ for enrollees of Medicare health plans.



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1.41 Medicare Part B Benefits - Preventive Services and Screenings (1 of 4)

Medicare Part B Benefits - Preventive Services and Screenings (1 of 4)

- Beneficiaries covered under Original Medicare and Medicare Advantage plans will have no cost-sharing for most preventive services.
- Preventive Services include:
 - One-time "Welcome to Medicare" preventive visit
 - Annual wellness visit after 12 months enrolled in Part B and annually thereafter
 - Immunizations - pneumococcal, hepatitis B, annual flu shot (shingles shots are covered under Part D, not Part B)
 - Abdominal aortic aneurysm screening - one time, with referral
 - Alcohol misuse screening - every 12 months for certain individuals
 - Bone mass measurement - every 24 months for certain conditions or meets certain criteria



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1.42 Medicare Part B Benefits - Preventive Services and Screenings (2 of 4)

Medicare Part B Benefits - Preventive Services and Screenings (2 of 4)

- Cardiovascular screening blood tests - every five years for all persons
- Colorectal cancer screening - five different tests, vary in frequency
- Depression Screening - every 12 months
- Diabetes screenings - up to two per year for those with risk factors
- Diabetes self-management training - for persons with diabetes
- Glaucoma testing - once per year for those at high risk
- Hepatitis B Virus (HBV) infection screening - if certain conditions are met
- Hepatitis C test - once, if certain conditions are met. For certain people at high-risk Medicare also covers yearly repeat.



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1.43 Medicare Part B Benefits - Preventive Services and Screenings (3 of 4)

Medicare Part B Benefits - Preventive Services and Screenings (3 of 4)

- HIV Screening - every 12 months if certain conditions are met
- Intensive Behavioral Therapy for Cardiovascular Disease - one face-to-face visit annually in a primary care setting
- Lung Cancer screening - every 12 months if certain conditions are met.
- Mammogram (Breast Cancer Screening) - annual screening for most women
- Medical nutrition therapy - for those with diabetes/kidney disease or kidney transplant
- Obesity Screening and counseling - for certain individuals
- Pap test and pelvic examination - every 24 mos. for all women; every 12 mos. for those at high risk



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1.44 Medicare Part B Benefits - Preventive Services and Screenings (4 of 4)

Medicare Part B Benefits - Preventive Services and Screenings (4 of 4)

- Prostate cancer screening - every 12 months for men over age 50
- Screening for Sexually Transmitted Infections (STIs) and High-Intensity Behavioral Counseling to Prevent STIs - for certain individuals
- Smoking and tobacco-use cessation counseling - for any illness related to tobacco use
- Shots for flu, pneumococcal infections, and Hepatitis B

Note that beneficiaries may have cost sharing if they receive non-preventive services during an appointment for preventive services. For example, if they receive diagnostic lab tests during their annual wellness visit.



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1.45 Other Part B Items and Services, Part 1 of 2

Other Part B Items and Services, Part 1 of 2

- Ambulance services
- Ambulatory surgical center fees
- Blood
- Cardiac rehabilitation-for certain situations
- Chiropractic services-for limited situations
- Chronic care management services
- Clinical research studies-some costs of certain care in approved studies
- Defibrillator (implantable automatic)
- Diabetic supplies
- Durable medical equipment-restricted to certain suppliers in some areas
- Emergency room services
- Eyeglasses after cataract surgery-limits apply



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1.46 Other Part B Items and Services, Part 2 of 2

Other Part B Items and Services, Part 2 of 2

- Foot exams and treatment for certain diabetics
- Hearing and balance exams (no hearing aids) if needed for medical treatment
- Home health services in certain situations
- Kidney dialysis and disease education-certain situations
- Mental health care (outpatient)-limits apply
- Occupational and physical therapy-limits apply
- Prosthetic/Orthotic items
- Pulmonary rehabilitation for COPD
- Second surgical opinions
- Speech-language pathology services
- Telehealth services in some rural areas
- Tests like X-rays, MRIs, CT scans
- Transplant physician services and drugs



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1.47 Not Covered by Medicare Part A & B

Not Covered by Medicare Part A & B

- Acupuncture
- Routine dental care/dentures
- Cosmetic surgery
- Custodial care
- Health care while traveling outside the US-exceptions apply
- Hearing aids
- Orthopedic shoes (with limited exceptions)
- Outpatient prescription drugs (this is covered under Part D)
- Routine foot care
- Routine eye care and eyeglasses
- Some screening tests and labs
- Vaccines, except as previously listed (those not covered under Part B are covered under Part D)
- Syringes and insulin unless used with an insulin pump (this is covered under Part D)



For example, Medicare does not cover routine screening tests for thyroid dysfunction or eye examinations for purposes of prescribing eyeglasses. However, Medicare may pay for eye exams that are part of the diabetes services benefit, a glaucoma test, or for macular degeneration.

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1.49 Original Medicare and Part D



1.50 Original Medicare and Part D Prescription Drug Coverage

Original Medicare and Part D Prescription Drug Coverage

- A beneficiary in Original Medicare may receive Part D prescription drug coverage through a stand-alone prescription drug plan (PDP).
- A beneficiary may also leave Original Medicare and receive drug coverage through a Medicare Advantage health plan (MA-PD) or sometimes through a Medicare Advantage (MA) plan and a separate PDP.
- Generally, except for those dually eligible for Medicare and Medicaid, Medicare beneficiaries must actively select a Part D plan.
- In selecting a Part D plan, beneficiaries should consider expected premiums and cost sharing, formulary, and network pharmacies among other factors.



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1.51 Original Medicare and Part D Prescription Drug Coverage, continued

Original Medicare and Part D Prescription Drug Coverage, continued

- Annual Election Period for Part D - is October 15 to December 7.
- Cost - Beneficiaries who enroll in Part D typically pay a monthly premium, annual deductible, and per-prescription cost-sharing.
 - Extra help is available for low-income beneficiaries.
 - Beneficiaries whose annual income in 2017 was above \$85,000 (individual) or \$170,000 (couple) pay an income-related monthly adjustment amount (IRMAA) in addition to the Part D premium.
- Penalty for late enrollment:
 - There is a permanent premium penalty of 1% of the national standard premium for every month that a beneficiary could have had Part D coverage, or equivalent creditable coverage and chooses not to enroll. There is no penalty for individuals who qualify for low-income assistance or for individuals who join a Part D plan within 63 days of losing creditable coverage.



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1.52 Original Medicare Beneficiary Protections



1.53 Appeals related to Part A and Part B Coverage and Payment

Determinations

Appeals related to Part A and Part B Coverage and Payment Determinations

Beneficiaries receiving their Part A and/or Part B services through Original Medicare have a right to appeal Medicare coverage and payment decisions.

- Beneficiaries should look at their "Medicare Summary Notice" (MSN). It shows the Part A and Part B services and supplies that providers and suppliers billed to Medicare on their behalf during a 3-month period, what Medicare paid, and what the beneficiary may owe the provider. The MSN also shows if Medicare has fully or partially denied their medical claim (this is the initial determination, which is made by the company that handles bills for Medicare).
- Beneficiaries can also track their Medicare claims or view electronic MSNs by visiting MyMedicare.gov. Claims will generally be available within 24 hours after processing.
- Beneficiaries must file an appeal related to Part A or B services within 120 days of the date they get the MSN in the mail. The appeal should be sent to the Medicare Administrative Contractor (MAC) that processed their claim (indicated on the MSN). Instructions for filing an appeal can be found on Medicare.gov.
- If a beneficiary disagrees with the MAC decision, he/she has 180 days after getting the decision notice to request a reconsideration by a Qualified Independent Contractor (QIC).
- Additional levels of appeal may also be available, depending on the amount in controversy.

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1.54 Fast appeals under Original Medicare for Certain Services and Grievances

Fast appeals under Original Medicare for Certain Services and Grievances

- Beneficiaries receiving their Part A and/or Part B services through Original Medicare have a right to a fast appeal if they believe certain Medicare covered services are ending too soon.
 - This includes services they get from a hospital, skilled nursing facility, home health agency, comprehensive outpatient rehabilitation facility or hospice.
 - Their provider will give them a written notice before their services end. The notice tells them how to ask for a fast appeal.
- Beneficiaries may also file complaints about their providers or the quality of care they received.
 - Instructions for filing grievances can be found at <https://www.medicare.gov/claims-appeals/how-to-file-a-complaint-grievance>



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1.55 Additional Beneficiary Protections under Original Medicare

Additional Beneficiary Protections under Original Medicare

- Medicare operates a 24-hour helpline at 1-800-Medicare. (TTY users should call **1-877-486-2048**.)
 - Beneficiaries can use this number to find out about their claim status, coverage, and benefits, premium payments, or to ask other questions about Medicare.
- Beneficiaries can also get assistance with Medicare, including help filing an appeal or grievance, through their local State Health Insurance Assistance Program (SHIP).
 - Contact information for their SHIP can be found at <https://www.shiptacenter.org/>



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1.56 For More Information about Medicare

For More Information about Medicare

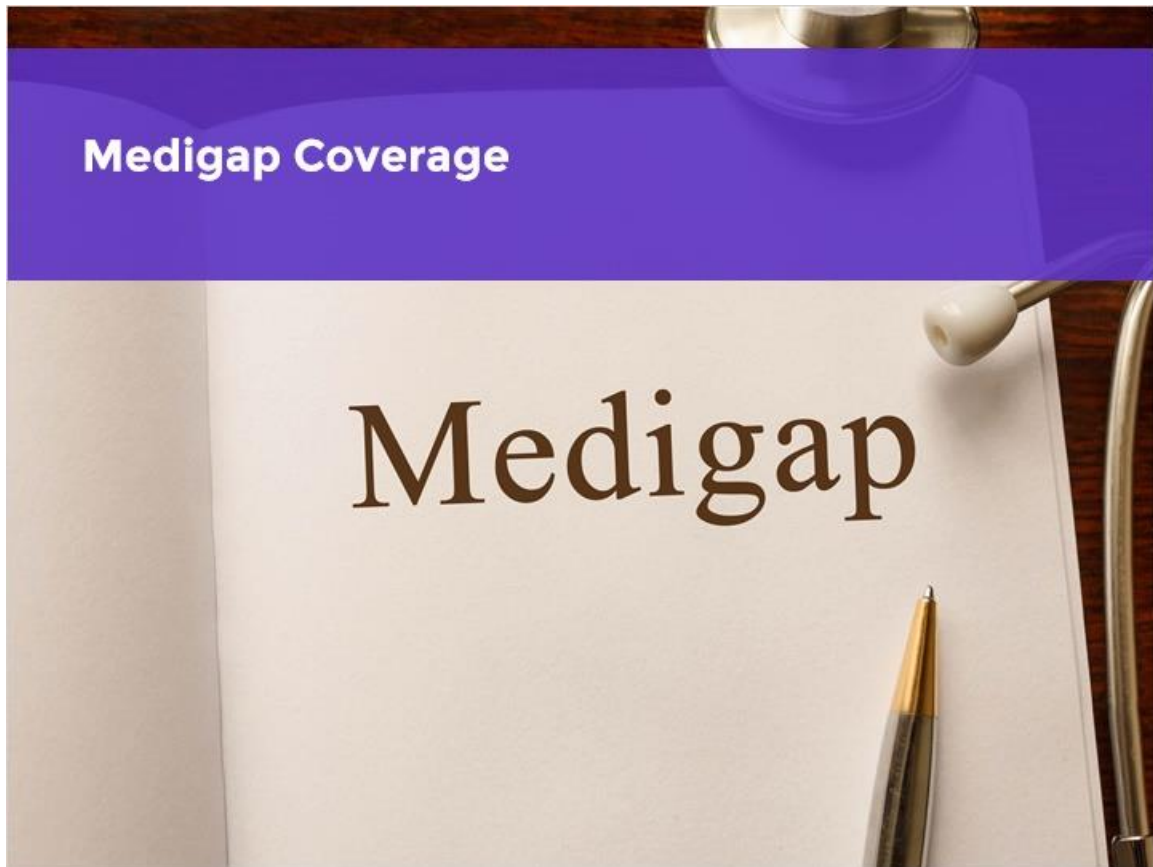
- Centers for Medicare & Medicaid Services (technical information)
www.cms.gov
- Medicare (beneficiary audience)
www.medicare.gov
- Medicare & You Handbook
<https://www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf>
- Your Medicare Benefits

Note: Original Fee-for-Service (FFS) Medicare is also referred to as Original Medicare or the Original Medicare Plan.

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1.58 Medigap Coverage



1.59 Further Information on Medigap (Medicare Supplement Insurance)

Further Information on Medigap (Medicare Supplement Insurance)

- Medigap is health insurance sold by private insurance companies to fill gaps in Original Medicare coverage.
- Medigap may help pay all, or a portion, of Part A and Part B coinsurance, copayments, and/or deductibles when Original Medicare determines that a benefit is medically necessary. (Individuals newly eligible for Medicare after January 1, 2020, cannot buy Medigap plans that cover the Part B deductible).
- Some Medigap plans also cover benefits not covered by Original Medicare, such as foreign travel.
- Medigap policies are available in standardized benefit plans, identified by certain letters between A and N (different plans are offered in Massachusetts, Minnesota, and Wisconsin).
- Turning age 65 and signing up for Part B triggers a six-month Medigap open enrollment period when Medigap plans must be issued, regardless of any pre-existing conditions, called a guaranteed issue right. In limited circumstances, leaving a Medicare Advantage plan will trigger a guarantee issue opportunity. Some states have additional guarantee issue periods for Medicare beneficiaries. Agents should look into state-specific Medigap laws.

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1.60 Medigap Coverage

Medigap Coverage

Most Medigap plans pay for some or all of the following costs:

Part A

- Part A Coinsurance and Hospital Benefits
- Part A Deductible
- Coverage for 365 Additional Hospital Days when Medicare coverage ends
- Hospice Care Coinsurance or Copayment
- Skilled Nursing Facility Care Coinsurance

Part B

- Part B Coinsurance or Copayment
- Part B Deductible (but only for Individuals eligible for Medicare before 2020)
- Part B Excess Charges
- Blood (First 3 pints) (also under part A)

Other

- Foreign Travel Emergency not covered by Medicare
- Non-Medicare-covered Preventive Services



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1.61 Beneficiaries in Original Medicare with Medigap Drug Coverage

Beneficiaries in Original Medicare with Medigap Drug Coverage

- Medigap plans H, I, and J offer non-Medicare drug coverage. These plans could no longer be sold as of January 1, 2006. However, some beneficiaries may have decided to keep their H, I, or J policy with the drug coverage they had before January 1, 2006.
- Individuals who are enrolled in Medigap plans may only obtain Medicare drug coverage (Part D) through a stand-alone prescription drug plan
- To enroll in Part D, individuals who have Medigap plans H, I or J may:
 - Keep their Medigap coverage with the drug portion of the coverage removed and enroll in a Part D PDP plan; or
 - Drop their Medigap coverage and enroll in an MA-PD or other health plans with a PDP.



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**1.62 Beneficiaries in Original Medicare with Medigap Drug Coverage,
continued**

Beneficiaries in Original Medicare with Medigap Drug Coverage, continued

- If the Medigap coverage was not “creditable coverage” (i.e., covered at least as much as Part D), an individual dropping Medigap coverage and enrolling in Part D will have to pay a late enrollment penalty unless they qualify for ‘Extra Help’ or enroll in Part D during the special enrollment period for loss of creditable coverage (discussed later).



Example: Mr. Green purchased Medigap policy J in 2005 and has remained continuously enrolled. Under policy J, after a deductible of \$250.00 is met, 50% of prescription drug charges are covered up to a maximum amount of \$3,000.00 yearly. The Medigap plan determined that the coverage is not creditable. Mr. Green failed to enroll in Part D during the special enrollment period of loss of creditable coverage, thus, if Mr. Green wishes to enroll in Part D, he will incur a late enrollment penalty unless he qualifies for extra help.

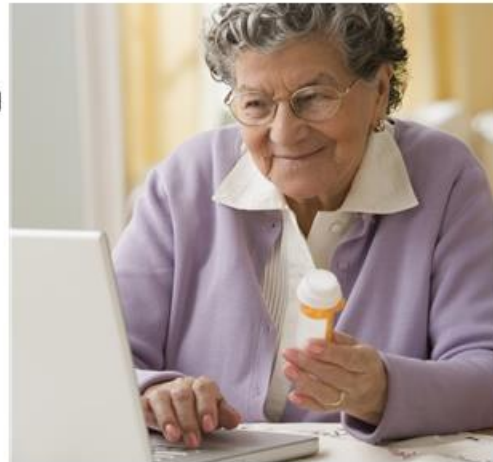
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**1.63 Beneficiaries in Original Medicare with Medigap Drug Coverage,
continued**

**Beneficiaries in Original Medicare with Medigap Drug
Coverage, continued**

- Non-Medicare insurers (including Medigap plans) are required to notify beneficiaries annually whether or not the prescription drug coverage they have is creditable (coverage that expects to pay, on average, at least as much as Medicare's standard Part D coverage expects to pay).
- All beneficiaries who do not maintain creditable coverage must pay a Part D late enrollment penalty if they wish to enroll in Part D.
- Beneficiaries who are informed that their non-Medicare drug coverage is no longer creditable will have a special enrollment period to enroll in a Part D plan without the obligation to pay a Part D late enrollment penalty.



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1.64 Medigap is NOT

Medigap is NOT

- Medigap is NOT a Medicare Advantage health plan or other Medicare health plan.
- Medigap is NOT original Medicare. Medigap supplements Original Medicare benefits only.
- In addition,
 - A Medigap plan cannot be used with a Medicare Advantage health plan.
 - It is illegal to sell a Medigap plan to someone already in a Medicare Advantage health plan.



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1.65 Medigap is NOT, continued

Medigap is NOT, continued

Types of coverage that are NOT Medigap policies

- Medicare Part A or Part B
- Medicare Advantage Plans (Part C), such as an HMO, PPO, PFFS, SNP, or MSA
- Medicare Cost Plans
- Medicare Prescription Drug Plans (Part D)
- Medicaid
- Employer or union plans
- TRICARE
- Veterans' Administration (VA) benefits
- Long-term care insurance policies
- Indian Health Service, Tribal and Urban plans



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1.66 Changes in Medigap for individuals newly eligible for Medicare beginning 2020

Changes in Medigap for individuals newly eligible for Medicare beginning 2020

- Newly eligible individuals may not purchase a Medigap plan that pays the Part B deductible (generally plans C, F or high deductible F, but the prohibition also applies in waiver states with non-standard packages).
 - “Newly eligible individuals are defined as those: (1) who have attained age 65 on or after January 1, 2020; or (2) first become eligible for Medicare due to age, disability or end stage renal disease on or after 2020.
- Individuals enrolled in plans that cover the Part B deductible may remain enrolled in those plans.
- Individuals who became eligible for Medicare before 2020 may enroll in plans that cover the Part B deductible.



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1.67 Medigap Plans

Medigap Plans										
Plans available to all beneficiaries										
Medigap Benefits	A	B	D	G ⁵	K ⁴	L ⁴	M	N	C	F ¹
Part A Coinsurance and Hospital Benefits	X ²	X	X	X	X	X	X	X	X	X
Part B Coinsurance or Copayment	X	X	X	X	50%	75%	X	X ³	X	X
Blood (First 3 pints)	X	X	X	X	50%	75%	X	X	X	X
Part A Hospice Care Coinsurance/ Copayment	X	X	X	X	50%	75%	X	X	X	X
Skilled Nursing Facility Care Coinsurance			X	X	50%	75%	X	X	X	X


1. Plan F also offers a high-deductible plan. In 2019, a policyholder pays \$2,300 before the Medigap policy pays anything.

2. "X" indicates that coverage is 100% of the Medicare allowable amount. A percentage number indicates the proportion of the Medicare allowable amount covered.

3. Plan N has a copayment of up to \$20 for physician office visits and up to \$50 for emergency room visits (waived in certain circumstances).

4. Plans K and L pay 100% after out-of-pocket limit is reached. In 2019 the out-of-pocket limits for Plan K and Plan L are \$5,560 and \$2,780, respectively.

5. Beginning in 2020, there will be a high deductible version of Plan G. The deductible for 2020 will be announced later in 2019, but will likely be the same as the high deductible for F.



1.68 Medigap Plans

Medigap Plans										
Plans available to all beneficiaries									Plans available to beneficiaries eligible before 2020	
Medigap Benefits	A	B	D	G ⁵	K ⁴	L ⁴	M	N	C	F ¹
Medicare Part A Deductible		X	X	X	50%	75%	50%	X	X	X
Medicare Part B Deductible									X	X
Medicare Part B Excess Charges				X						X
Foreign Travel Emergency (up to plan limits) ³			80%	80%			80%	80%	80%	80%


1. Plans F also has a high-deductible option. In 2019, a policyholder pays \$2,300 before the Medigap policy pays anything. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. However, high deductible Plans F counts payment of the Medicare Part B deductible toward meeting the plan deductible.

2. "X" indicates that coverage is up to 100% of the Medicare allowable amount. A percentage number indicates the proportion of the Medicare allowable amount covered, except for foreign travel.

3. The foreign travel benefit pays 80% of charges after a \$250 deductible, up to a \$50,000 lifetime maximum.

4. Plans K and L pay 100% after out-of-pocket limit is reached. In 2019 the out-of-pocket limits for Plan K and Plan L are \$5,560 and \$2,780, respectively.

5. Beginning in 2020, there will be a high deductible version of Plan G. The deductible for 2020 will be announced later in 2019, but will likely be the same as the high deductible for F.



1.69 Medigap Plans – Case Study

Medigap Plans – Case Study

Ms. Smith wishes to buy a Medigap plan. She explained that she wishes to get a plan with a lower premium and doesn't mind paying more when she uses services, up to a limit. The agent correctly directed her to choose between Plans K and L to meet her needs.



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e1.71 For More Information about Medigap

For More Information about Medigap

- Centers for Medicare & Medicaid Services:
<http://www.cms.gov/Medigap/>
- 2019 Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare:
<https://www.medicare.gov/Pubs/pdf/02110-Medicare-Medigap-guide.pdf>

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